

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

FEB 11 2013

PUBLIC SERVICE  
COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS )  
ELECTRIC CORPORATION, INC. )  
FOR AN ADJUSTMENT OF RATES )

Case No. 2012-00535

ATTORNEY GENERAL'S PRELIMINARY INITIAL DATA REQUESTS  
**PUBLIC REDACTED VERSION**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Preliminary Initial Requests for Information to Big Rivers Electric Corporation [hereinafter referred to as "Big Rivers"] to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for Big Rivers with an electronic version of these questions, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information

within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, please request clarification directly from Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and

shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing; drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-

readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) The Attorney General reserves the right to pose additional preliminary data requests on or before the due date specified in the Commission's procedural schedule.

Respectfully submitted,  
JACK CONWAY  
ATTORNEY GENERAL



---

JENNIFER BLACK HANS  
DENNIS G. HOWARD, II  
LAWRENCE W. COOK  
ASSISTANT ATTORNEYS GENERAL  
1024 CAPITAL CENTER DRIVE  
SUITE 200  
FRANKFORT, KY 40601-8204  
(502) 696-5453  
FAX: (502) 573-8315  
[Jennifer.Hans@ag.ky.gov](mailto:Jennifer.Hans@ag.ky.gov)  
[Dennis.Howard@ag.ky.gov](mailto:Dennis.Howard@ag.ky.gov)  
[Larry.Cook@ag.ky.gov](mailto:Larry.Cook@ag.ky.gov)

*Certificate of Service and Filing*

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Mark A. Bailey  
President and CEO  
Big Rivers Electric Corporation  
201 Third St.  
Henderson, KY 42420

Albert Yockey, Vice President,  
Governmental Relations & Enterprise  
Risk Management  
Big Rivers Electric Corporation  
201 Third St.  
Henderson, KY 42420

Hon. James M. Miller  
Sullivan, Mountjoy, Stainback & Miller,  
PSC  
P.O. Box 727  
Owensboro, KY 42302-0727

Hon. Michael L. Kurtz  
Boehm, Kurtz & Lowry  
36 E. 7th St.  
Ste. 1510  
Cincinnati, OH 45202

Hon. David C. Brown, Esq.  
Stites & Harbison, PLLC  
400 W. Market St., Suite 1800  
Louisville, KY 40202

Hon. Donald P. Seberger  
8770 West Bryn Mawr Ave.  
Mail Code 07J  
Chicago, IL, 60631

Gregory Starheim  
President and CEO  
Kenergy Corp.  
P. O. Box 18  
Henderson, KY 42419-0018

Hon. J. Christopher Hopgood  
Dorsey, King, Gray, Norment &  
Hopgood  
318 Second St.  
Henderson, KY 42420

Burns Mercer  
Meade County RECC  
P.O. Box 489  
Brandenburg, KY 40108


Hon. Thomas C. Brite  
Brite and Hopkins PLLC  
P.O. Box 309  
Hardinsburg, KY 40143

Kelly Nuckols  
President & CEO  
Jackson Purchase Energy Corp.  
PO Box 3188  
Paducah, KY 42002-3188

Hon. Melissa Yates  
P.O. Box 929  
Paducah, KY 42002-0929

David O'Brien Suetholz  
Neal B. Hayes  
Kircher Suetholz & Grayson PSC  
515 Park Ave.  
Louisville, KY 40208

this 11<sup>th</sup> day of Feb., 2013

  
\_\_\_\_\_  
Assistant Attorney General

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

1. Please state whether the company will agree to update its responses to all data requests when the company updates its filing from budgeted to actual amounts.
2. Provide an electronic spreadsheet copy of all supporting workpapers, calculations and source documents for the models provided by Big Rivers in response to PSC 1-57 with formulas, links and references intact.
3. On an ongoing basis, please describe steps and actions being taken by Big Rivers, if at all, in anticipation of filing for bankruptcy reorganization, the current status of those steps and actions, and anticipated further steps, actions and anticipated timing.
4. On an ongoing basis, please provide documents which show analysis conducted by or for Big Rivers regarding the potential disposition of: (a) Big Rivers' transmission assets; and/or b) any of Big Rivers' generating units.
  - a. Has Big Rivers considered selling all or any portion of its transmission assets to an independent transmission operator? If not, why not?
5. On an ongoing basis, please provide documents which show the substance and status of conversations between Big Rivers and its creditors.
6. On an ongoing basis, please provide documents which show the substance and status of conversations between Big Rivers and the credit rating agencies.
7. Please provide the "final" Financial Model produced to the Commission in the "Unwind" case (2007-00455), in electronic spreadsheet format with all formulae intact.
8. Please provide a narrative description of all measures Big Rivers has undertaken in an attempt to keep Alcan Primary Products Corporation ["Alcan"] and Century Aluminum of Kentucky General Partnership ["Century"] on its system. Include in your description any discussions with government officials at the federal, state, county and / or municipal levels, and provide copies of any and all relevant documents in this regard.
9. Please provide copies of the notices of termination that both Alcan and Century provided to Big Rivers.
10. Please provide any and all presentations Big Rivers made to any and all rating agencies, investment firms, investment banking institutions, investment advisory services, credit support institutions, private placement firms, participants in existing or proposed lines



Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

of credit, institutional investment groups or other entities of any type regarding Big Rivers' financing, since January 1, 2011.

11. Provide copies of any and all correspondence and documents of any type or sort between Big Rivers and Goldman Sachs relevant to Big Rivers' proposed refinancing which is the subject of Case No. 2012-00492.
12. Please provide copies of credit reports for Big Rivers between January 1, 2011 and the present from the major credit rating agencies (Moody's, S&P, and Fitch).
13. Please provide the corporate credit and bond ratings assigned to Big Rivers since the year 2009 by S&P, Moody's, and Fitch. For any change in the credit and/or bond rating, please provide a copy of the associated report.
14. Please describe the potential ramifications, if any, the company may face if it fails to maintain an investment grade credit rating from at least two rating agencies.
15. Provide a copy of any and all agreements by which Big Rivers, through its member, Kenergy, provides electric service to the two smelters.
16. Please provide Financial Model runs modified to reflect:
  - a. the amended refinancing request currently before the PSC in Case No. 2012-00492; and,
  - b. the notice of termination provided by Alcan.
17. Please provide Financial Model "sensitivity" runs performed by Big Rivers since August 2012 which use alternate assumptions regarding:
  - a. departure of smelter load;
  - b. debt financing;
  - c. market prices for off-system sales;
  - d. alternative scenarios regarding implementation of the Load Concentration Analysis and Mitigation Plan; and/or
  - e. any other alternate assumptions to those contained in the financial model presented in this case.
18. Please provide the reasons for the decreases (both historic and projected) in Big Rivers' off-system sales.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

- a. Given that utilities throughout the eastern U.S. will be shutting down many coal-fired generation plants, does Big Rivers foresee a potential for increasing its off-system sales? If so, when? If not, why not?
19. Please state whether any studies currently are being conducted, or have been conducted pertaining to congestion constraints which could inhibit the ability of Big Rivers to sell its excess power off system. If any, please identify any and all such studies and provide copies of same.
  20. Please state whether the completion of Big Rivers' transmission expansion plans, in particular but not limited to the Vectren 345 kV interconnection, would make it possible for Big Rivers to wheel power into the service territories of American Electric Power's members' service territories (including but not limited to Kentucky Power Co.). If not, why not?
  21. Reference the application in general, regarding the amounts of the requested rate increases.
    - a. Confirm that the application states that the increase Big Rivers is seeking for the rural class is \$40.7 million, or 29.4%, and that the increase for the large industrial class, if approved, would be \$8.2 million, or 17.9%. Confirm also that these calculations are calculated gross of the Member Rate Stability Mechanism ("MRSM").
    - b. Reference the Motion of KIUC for Big Rivers to File a Corrected Notice ("KIUC Motion"). Confirm that in this motion, KIUC states the actual increases (in percentages) will be 38.4% for the rural class, and 27.0% for the large industrial class, when the proposed increases are calculated net of the MRSM.
    - c. Reference Big Rivers' Response to KIUC's Motion, wherein Big Rivers states that the projected increases, when calculated net of the MRSM, total 35.8% for the rural class, and 22.1% for the large industrial class.
    - d. Please clarify the projected increases for both classes, both gross of the MRSM and net of the MRSM.
    - e. Please state whether the notices the member distribution cooperatives will publish in their rate flow-through cases will be based on the calculations gross of the MRSM or net of the MRSM. If gross, explain fully why.
  22. Regarding Big Rivers' proposal to recover the approximately \$63 million of revenue which will be lost once Century leaves Big Rivers' system, please confirm that this figure represents stranded costs which will be passed onto the remaining ratepayers. If Big Rivers does not agree, please provide a complete explanation as to why not.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

- a. At the time the "Unwind Case" (Case No. 2007-00455) was underway, and during the five-years period during which Big Rivers negotiated the Unwind, did it not foresee the potential for stranded costs? If not, why not?
  - b. Why should stranded costs be passed on to non-smelter ratepayers?
  - c. Explain why stranded costs should not be paid by Big Rivers' creditors.
23. Now that both Century and Alcan have provided their respective notices of termination to both Big Rivers and Kenergy, will any smelter agreements remain in force and effect? If so, identify precisely which one(s).
- a. Will Big Rivers continue to use the "Contract TIER" principle which was an essential aspect of the smelter agreements? If so, state why. Explain in complete detail.
  - b. What discussions / negotiations has Big Rivers had with Century and/or Alcan regarding contract TIER since February 2012? Provide a complete description with any documents related to same.
24. Please reference the Application at p. 4, wherein Big Rivers asserts that the effective date of new rates must coincide with the date of Century's departure from the Big Rivers system, that of August 20, 2013.
- a. What will happen if the PSC does not approve Big Rivers' proposed rates, especially by the date requested?
  - b. Now that Alcan has given its notice of termination, will Big Rivers change the effective date of new rates? If not, why not?
25. State whether Big Rivers maintains a risk management program.
- a. If so, please identify the areas of risk the plan covers.
  - b. Please provide a copy of any risk manual the company maintains.
  - c. State whether the company has ever retained the services of any consultants to address risk management, and if so, please provide a copy of any and all reports generated by any such consultants.
  - d. State whether the company has a risk management committee, or any committee that addresses risk management. If so, identify all persons, together with their respective credentials, who are members of the committee.
  - e. State whether Big Rivers has an audit committee, or any other committee which addresses risks that do or could arise in an audit committee. If so, identify all persons who are members of the committee.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

- f. State whether any committee dealing with Risk Management in general, and any committee which deals with risks that an Audit committee would traditionally address, has ever addressed the financial risks of losing one or both smelters. If so, provide a list of any and all reports produced by any such committee. If not, why not?
  - g. Please provide copies of the minutes of any such committees, and any documents related to same.
26. State whether Big Rivers has ever conducted any studies or consulted with any external consultants regarding the ability of Big Rivers Electric Corp. to maintain its independence from its three member-owners, including but not limited to: (a) the ability of Big Rivers' corporate governance structure to make decisions in the best interest of Big Rivers; and (b) how to address any potential conflicts of interest with its member owners. If so, please provide copies of any and all reports or findings produced from any such studies / consultants. If not, explain why not.
27. Please state whether the company has obtained financing for its ECR construction projects, as identified in Case No. 2012-00063. If not, please explain what steps the company is taking or will take to secure this financing.
28. Given the fact of Century's and Alcan's notices of termination, and given Big Rivers' current financial difficulties, has the company given all the required disclosures to government agencies (e.g., the U.S. Securities and Exchange Commission), financial institutions and ratings agencies? If any such disclosure was given to the SEC, please provide a copy of same.
29. If the PSC should award the full amount of new revenues Big Rivers seeks in the instant application, thus achieving a 1.24 TIER:
  - a. Would it still be able to meet its debt service covenants?
  - b. Would additional borrowing be required or even implied?
  - c. Would it be able to meet industry standard maintenance and operating requirements without having to defer any maintenance or capital investments?
30. Reference the application at p. 4, wherein Big Rivers discusses the elimination of the subsidy the rural class has been receiving. Please explain how this comports with the Commission's prior rulings regarding the principle of gradualism.
31. Please produce a chart depicting variable costs for each month from January of 2011 through the end of the fully forecasted test year, contrasted with budgeted variable costs for each of those months.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

32. Provide a copy of all additional supporting workpapers, calculations, and source documents for the testimony, exhibits, schedules, forecasts, and revenue requirement adjustments sponsored by (or addressed in part by) Company witnesses Mr. Bailey, Ms. Richert, Mr. Yockey, Mr. Berry, Mr. Crockett, Ms. Speed, Ms. Barron, Mr. Haner, Mr. Kelly, Mr. Siewert and Mr. Wolfram. When applicable, provide the requested documents in electronic form with all spreadsheet links and formulas intact, source data used, and explain all assumptions and calculations used. To the extent the data requested is not available in the form requested, please provide the information in the form that most closely matches what has been requested.
33. Provide a working electronic copy of the Company's 2011, 2012 and 2013 YTD Trial Balance in the following format (if possible) showing account balances for the current month, current YTD and comparison to the prior YTD. Provide or identify amounts on a GAAP versus regulatory (or non-GAAP) basis. **Provide updates on a monthly basis as new monthly data becomes available.**
34. Provide a working electronic copy of the Company's 2011, 2012 and 2013 YTD General Ledger in the following format (if possible) showing account balances for the current month, current YTD and comparison to the prior YTD with all monthly (and annual) activity by account number. Provide or identify amounts on a GAAP versus regulatory (or non-GAAP) basis. **Provide updates on a monthly basis as new monthly data becomes available.**
35. Explain the difference between the Company's audited financial records (GAAP-based) and any subsidiary financial records maintained on a regulatory basis, and identify all amounts included in the rate proceeding that are on a regulatory or non-GAAP basis (or indicate if all records are on a GAAP basis). For each account or type of revenue, expense, asset and liability on a regulatory or non-GAAP basis, explain the rationale and basis for maintaining records on this basis and identify the difference in the amounts between GAAP and regulatory/non-GAAP amounts. For example, identify differences in depreciation expense, accumulated depreciation, deferred taxes, and net plant due to differences in depreciation rates maintained for GAAP/audited financials versus depreciation rates maintained for regulatory/rate proceeding purposes.
36. Volume I, Tab 3 states that Big Rivers annual reports for calendar years prior to 2012 are on file with Commission and Big Rivers is preparing its 2012 report and anticipates filing this with the Commission no later than March 31, 2013 (Tab 35 includes Annual Reports for 2007 through 2011). Provide a copy of the 2012 annual report when it is filed with the Commission.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

37. For the period(s) 2010 through 2013 YTD (**with updates on a continuing basis**) provide a copy of all reports and results from audits or reviews of management/organization, safety, construction, service quality, and any other audits/reviews performed by company personnel, contractors, consultants, state and federal regulatory agencies, state and federal tax authorities, and any other state and federal government agencies.
38. Provide the Company's Board of Director Minutes and Executive Session Minutes, as well as any documents related thereto, for the periods 2010 through 2013 YTD (**with updates on a continuing basis**).
39. For the periods 2010 through 2013 YTD (**with updates on a continuing basis**), please provide the following: Management business plans and all other similar plans (including annual plans and all other short/long-term plans) that address issues and matters related to (but are not limited to) financial, operational, regulatory, construction, safety/service quality, legal, acquisition/merger, marketing, and other business areas.
40. Provide a list of all financial and operational monitoring reports and related statistics that are regularly made available to Company management for their review for the periods 2010 through 2013 YTD (and which are not included in the Company's filing) that address issues and matters related to (but not limited to) financial, operational, regulatory, construction, safety/service quality, legal, acquisition/merger, marketing and other business areas. Briefly describe the purpose of each report.
41. The Company's filing at Tab 40 includes the audited financial statements for 2011/2010 comparative years. Address the following:
  - a. Provide the 2012/2011 comparative audited financials when they become available (and provide an estimated date when they will become available).
  - b. In addition, provide the audited financial statements for comparative years 2010/2009, 2009/2008, and 2007/2006.
42. Regarding the audited financial statements for 2012/2011 (that are still pending) and for 2011/2010, provide: (i) a list of all auditor adjustments made to the financial statements; and (ii) a list of all auditor adjustments identified but not posted to the financial statements (and explain why the adjustments were not posted to the financials).
43. Provide copies of all current written contracts in place (other than the "Smelter Agreements" from the "Unwind" transaction) and explain in detail all informal agreements in place (commonly understood terms, conditions or amounts between parties) between the Company, other Cooperatives, member-owners Jackson Purchase

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

Energy Corporation, Kenergy Corp., and Meade County Rural Electric Cooperative Corporation, affiliates, related parties, third parties, vendors, consultants, customers, maintenance arrangements and other arrangements with smelters, contracts for rent or lease of administrative buildings and other generation and other plant facilities, management fees paid to member-owners and other entities, debt holders, and all others that affect revenues, expenses, assets, liabilities, operations and other matters impacting the company. If certain contracts are voluminous or the Company has questions regarding their relevance or importance to the AG, the Company should contact the Office of Attorney General regarding these matters. This information should be updated throughout the proceeding. The Company should provide a summary of each contract that includes the following information at the minimum:

- a. The name and description of the entity that has a contract (or informal agreement) with the Company.
- b. A description of the services, products and economic transactions between the Company and the entity.
- c. Summarize the general purpose of contract/agreement, terms, conditions, rates/prices, and financial amounts to be paid and received by each contracting entity over the term of the arrangement.
- d. Identify the term/length of the contract, including the beginning and ending date of current contract/agreement. Explain if it is anticipated the current contract will be replaced by a new contract/agreement and explain why or why not.
- e. Explain if there was a prior contract/agreement in place.
- f. Summarize major changes in terms, conditions, rates/prices and other financial arrangements between the current and prior contract/agreement.
- g. Explain all terms and fees for early contract termination.
- h. Explain if the contract/agreement rates/prices and financial amounts are based on negotiations, historical embedded costs, incremental costs, or fair market value (and provide related supporting documentation if available).
- i. Explain if the contract is considered to be confidential or public and explain why.

44. The Company's filing raises or addresses various concerns about its current and future financial and operating condition (e.g., Mr. Bailey, p. 7, line 18 "precarious financial position"). Address the following and **provide updates on a continuing basis**:

- a. Explain and provide copies of all correspondence, discussion notes, or identify if the Company has had discussions with its auditors (or intends to have discussions) for the current 2012 audit period (or in the most recent 5 years) regarding "going concern" issues or a "going concern notice" that would be potentially expressed in the auditor's opinion letter for the pending

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

2012 audited financial statements. A "going concern" notice might indicate that the auditors have substantial doubt about the Company's ability to continue as a "Going Concern."

- b. Explain and identify all financial and other issues that have been raised as potential "going concern" issues by the Company or its auditors for the 2012 audit period. For example, problems that might cause auditors to have concerns about the Company's ability to remain in business include significant losses, a serious decline in sales/revenues, loss of a major customer, defaults on debt, negative cash flow, loan covenant violations, contingent liabilities, lawsuits against the company and other concerns.
  - c. Explain if the auditors have affirmatively indicated to the Company that there are no "going concern" issues for the 2012 audited period, and provide copies of related correspondence or other documents, and indications from the auditors.
  - d. Explain the current status of discussions with auditors and the auditor's current position regarding "going concern" issues.
45. Explain if the Company (or its legal representatives) have conducted due diligence upon another entity for the period 2010 through 2013 YTD, or if other entities (or their legal representatives) have conducted due diligence upon the Company for the period 2010 through 2013 YTD, regarding all matters and issues. If the answer is "yes", then explain the reason for the due diligence, provide the recommendations and actions taken to date related to the due diligence, and provide copies of related supporting documentation and correspondence addressing the due diligence. Explain the current status of this due diligence **provide updates on a continuing basis**.
46. The Company's Application and some of the testimony of witnesses in this proceeding refer to various financial concerns (e.g., Mr. Bailey, p. 7, line 18 "precarious financial position"), TIER coverage issues, and other matters contributing to the Company's viability or financial status. Address the following:
- a. Provide copies of all internal reports, analysis, and documents that are regularly reviewed and monitored by Company personnel on an on-going basis in regards to earnings, TIER coverage, and other measures or events impacting Company earnings and operations issues. Provide these reports for the years 2011 through 2013 YTD, and **provide updates on a continuing basis**.
47. Tab 38 states the Company will provide variance reports for subsequent months as they become available. Provide a comprehensive list of all updated reports and other



Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

documents that the Company will provide throughout this proceeding and explain how often these reports and documents will be updated and provided (monthly, quarterly, etc.).

48. The Company's financial status and proposed revenue increase of \$74.5 million could change monthly as actual financial and other data becomes available to replace projected data that is included in this filing. Address the following **and provide updated information on a continuing basis**:

- a. Explain if the Company plans to periodically update its filing and its proposed revenue increase by substituting actual information for forecasted/budgeted data, and thus updating financial data for the base period April 30, 2013, the forecasted test period ending August 31, 2014, and budgeted amounts for 2015 and 2016. Will the company periodically update its filing? If not, why not?.
- b. If the Company does plan to periodically update its filing by substituting actual information explain how often and when (specific dates) the Company will update its filing and the manner it will use to update its filing (explain if the Company will provide updated exhibits and also file "supplemental" testimony to explain these changes).
- c. Provide and cite to precedent in prior rate cases before the Commission for this approach of updating the filing and the related proposed revenue increase. Provide a cite to Company witness testimony in this proceeding that addresses this matter.
- d. If the Company does not plan to periodically update its filing, explain how the proposed revenue increase of \$74.5 million can be deemed to be reasonable, accurate, and reflecting most recent amounts and events.
- e. Explain if the Company believes the burden of proof rests with the Company or with interveners to update the Company's filing to reflect more accurate and recent actual amounts (which also assists in providing more accurate projected amounts) and cite to Commission precedent for the approach proposed by the Company.

49. Please reference the Bailey testimony, p. 7, wherein he states "Big Rivers is in a precarious financial position."

- a. Was this not anticipated? If so, when?
- b. What actions did the company take to prevent it from reaching this point?

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

50. Mr. Bailey's testimony (p. 8, lines 3 and 4) refers to corporate-wide cost cutting, reducing plant maintenance and deferring outages. Also, Tab 28 refers to 807 KAR 5:001 Sec. 10(9)(e) which requires that the utility chief officer attest that "productivity and efficiency gains are included in the forecast." Address the following and **provide updates on a continuing basis**:

- a. Provide a detailed list and description of all specific productivity and efficiency gains, corporate-wide cost cutting, plant maintenance cost reductions, and other similar cost cutting and productivity measures that have been implemented by the Company from 2010 through 2013 YTD (and which are planned for future years) and identify the starting and ending date for each cost-cutting/savings measure. For each of these cost-cutting/savings measures, provide the amounts and related calculations, assumptions, and supporting documentation for each year/period and explain if it is a permanent or temporary cost-cutting/saving measure (or if it is a one-time or recurring measure).
- b. Regarding the cost-cutting/savings items and amounts in (a) above, describe and identify the amounts included in this rate proceeding in each of the periods calendar year 2011, base period ending April 30, 2013, forecasted test period August 31, 2014, and budget years 2015 and 2016. In each case, provide calculations, assumptions, and supporting documentation, and show cost cutting/savings amounts by account number. Identify how much of the cost-cutting/saving measure is already reflected on the books and how much is reflected in each Company proposed adjustment and forecasted amount and reconcile all cost-cutting/savings amounts to the rate filing.
- c. For amounts in (a) and (b) above, provide the impacts on all revenues, expenses, assets, and liabilities and other matters in this rate case and show impacts by both account number and cost category (payroll, depreciation, taxes, etc.).
- d. Identify all cost-cutting/savings measures that have not been included in the Company's rate filing and explain the reasons for excluding these amounts.
- e. For all cost-cutting/savings measures reflected in this rate filing, explain if it is a result of specific voluntary actions or changes implemented by the Company or explain if it is primarily the result of events/actions beyond the Company's control and which caused certain costs to decline or go away (i.e., a loss of a major customer or changes in the status of smelters).
- f. Regarding items (a) through (e) above, please cite to Company witness testimony that addresses these matters or explain why these matters are not addressed by witnesses.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

51. Mr. Bailey's testimony (p. 8, lines 8 to 13) states that on August 20, 2013, Century's smelter power contract terminates and it represents about 40% of the internal load, and this represents about \$63 million of the total \$74.5 million revenue deficiency in this case. Address the following and **provide updates on a continuing basis**:
- a. Provide calculations, assumptions, and supporting documentation for the \$63 million revenue requirement impact related to the loss of Century, and describe and show the impact by account number and cost category (payroll, depreciation, plant asset, etc.) for all revenues, expenses, assets, and liabilities and reconcile to the amounts and Company-proposed adjustments included in this rate filing.
  - b. Provide the information in (a) above regarding the loss of Century in this rate filing for each of the periods, including the base period ending April 13, 2013 (if there is any impact before the August 20<sup>th</sup> date that Century leaves the system), forecasted period ending August 31, 2014, and the budget periods 2015 and 2016.
  - c. Explain if the impact of the loss of Century is treated as a flash-cut impact on revenue requirements or if part of the impact on revenue requirements is amortized or spread over several years/periods and provide related supporting calculation.
  - d. Explain and describe all costs that the Company has incurred from 2002 to present to meet Century's load, or were otherwise incurred specifically because of Century, and show the amount of these expenses and capital costs by account number for each year.
  - e. Regarding the amounts in (d) above, identify all of these costs that the Company has included as part of its \$63 million revenue deficiency impact related to the loss of Century.
  - f. Identify all plant costs by account number and description that are stranded by the loss of Century, and identify those costs that the Company seeks to recover in this rate case (as part of the \$63 million revenue deficiency impact) and those costs that the Company does not seek to recover in this rate filing.
52. Regarding the loss of load from the Century smelting operation and the estimated \$63 million revenue requirement impact, address the following and **provide updates on a continuing basis**:
- a. Explain in more detail the specific rate case treatment that Big Rivers is proposing for all revenue and cost impacts in this rate case related to the loss of Century and the \$63 million revenue requirement impact.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535

Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

- b. Identify and provide all known precedent and prior cases before the Commission (and in other jurisdictions) that have addressed similar issues for the loss of a major utility customer like the Century smelter and explain the Commission's decisions and treatment of revenue loss, costs, and related issues in those cases (it is not necessary to provide the actual documentation related to any precedent, but provide a cite to the related case number, utility, and year if the information can be obtained electronically by the AG).
  - c. Explain if Big Rivers seeks similar treatment in this case (regarding the lost load from the Century smelting operation) based on prior Commission decisions related to similar issues in other utility cases, or explain all unique or different conditions regarding the loss of Century that require a unique or different treatment of this issue in this proceeding. Provide all supporting documentation.
53. Identify and explain any specific relevant terms and conditions in the contracts between Big Rivers and Century, and Big Rivers and Alcan that may not have been met by Big Rivers, Century, or Alcan, or which are being contested by either party, and explain Big Rivers' position regarding these matters and the status of all unresolved matters (provide all supporting documentation).
- a. Provide copies of correspondence and documentation between Big Rivers, Alcan and/or Century regarding the discussion or negotiation of all related issues, and summarize the current position of each party at this point in time.
  - b. Provide copies of all correspondence between Big Rivers, Alcan and/or Century regarding the Notices of Termination from Alcan and Century.
  - c. Explain if the contract addresses or requires an "exit fee" to be paid by Century upon its voluntarily leaving the Big Rivers system and provide a calculation of this exit fee, the status of this exit fee, and explain if such exit fee is reflected in revenue requirement calculations in this proceeding. If no such provision exists, explain why Big Rivers did not insist upon it during the five (5) year period it was negotiating the Unwind.
  - d. Regardless of whether an exit fee is required by the contract, provide Big Rivers' position on the exit fee issue and the amounts of any exit fee that it believes is reasonable (and provide related calculations and supporting documentation).
  - e. Explain if the Commission has addressed the issue of exit fees for similar situations in prior utility cases, provide a citation to these Commission decisions and a summary of the decision (or cite to cases in other jurisdictions

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

for which Big Rivers has information), and explain if Big Rivers agrees or disagrees with these prior decisions and explain why.

54. Mr. Bailey (page 9, lines 2-8) states that the Company must demonstrate to the rating agencies regulatory support for Big Rivers' financial health, including an increase that will allow Big Rivers to have access to capital markets, maintain its utility plant, meet loan covenants (achieve at least a 1.10 MFIR), and maintain at least two investment grade credit ratings. Address the following and **provide updates on a continuing basis**:

- a. For the period 2011 through 2013 YTD, provide copies of all reports, correspondence, and documentation provided by Big Rivers to rating agencies regarding the Company's financial health and related issues addressed at Mr. Bailey's testimony above.
- b. For the period 2011 through 2013 YTD, provide copies of all reports, correspondence, and documentation provided by rate agencies to Big Rivers regarding concerns with the Company's financial health and related issues addressed at Mr. Bailey's testimony above.
- c. Regarding items (a) and (b) above, provide the most recent specific requirements and recommendations of rating agencies and provide related supporting documentation (reports, etc.).
- d. For the period 2011 through 2013 YTD, provide the amount paid by Big Rivers to outside consultants to address matters in (a) to (c) above, and provide the names of all consultants, the amounts paid by account number, a copy of all contracts, and a copy of all reports and recommendations of the consultants.
- e. For the period 2011 through 2013 YTD, provide the amount paid by Big Rivers to rating agencies regarding the matters in (a) to (c) above, and provide the names of the rating agencies, the amounts paid by account number, a copy of all contracts, and a copy of all reports and recommendations of the rating agency.
- f. Explain if the rating agencies have expressed an opinion or made recommendations regarding various significant issues facing Big Rivers (i.e., loss of Century smelter, status with Alcan smelter and / or loss of its load, depreciation rates, rate case, etc.), and provide all related documentation from rating agencies addressing these matters.

55. Mr. Bailey's testimony states that its loan agreements require Big Rivers to achieve a 1.10 MFIR (p. 9, lines 6 to 8), the contracts with the Smelters limit Big Rivers to a 1.24

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

TIER (p. 9, lines 14 to 19) and also states that the difference in net margins between Big Rivers making a 1.24 contract TIER and having a MFIR fall below 1.10 is only about \$7 million (p. 10, lines 1 to 6). Also, Big Rivers' loan agreements require it to maintain two investment grade credit ratings (Bailey, p. 10, lines 15 to 21). Ms. Richert states the 1.24 TIER is subject to "defined Adjustments" (p. 6, line 23) and explains how excess TIER is returned to Smelter and customer classes (p. 8, lines 8 to 21). Address the following and **provide updates on a continuing basis:**

- a. Explain if Big Rivers has ever failed to meet the 1.10 MFIR and/or failed to maintain two investment grade credit ratings as required by loan agreements and identify those periods/years of noncompliance, and explain the consequences and actions by the loan entities. Or explain if any noncompliance was waived or allowed an exception and provide related documentation addressing this matter. Provide supporting documents for those years showing that the 1.10 MFIS was not met and documentation from the loan entities explaining the consequences and their actions.
- b. Explain the "defined Adjustments" allowed for TIER calculations and provide supporting documentation.
- c. For the years 2010 through 2013 YTD, provide copies of periodic compliance documents that Big Rivers provides to both loan entities and the Smelters regarding compliance/noncompliance calculations and supporting documents related to the 1.10 MFIR, maintaining two investment grade credit ratings, and the 1.24 TIER requirements. In all cases, provide calculations and explain the "defined Adjustments" in all calculations.

56. Mr. Bailey's testimony (p. 10, lines 21 to 22, and p. 11, lines 1 to 19) states that a 1.24 Contract TIER is low for an investment grade-rated G&T cooperative and Ms. Richert provides Exhibit Richert-2 regarding a table of G&Ts and their related TIER and MFIR at June 2012 (p. 9, lines 5 to 7). Provide the source documents supporting Exhibit Richert-2, and provide the related TIER/MFIR data for June 2011.

57. Mr. Bailey's testimony (p. 11, lines 1 to 19) addresses Big Rivers' concerns with its investment grade credit ratings by rating agencies. Address the following and **provide updates on a continuing basis:**

- a. Provide all rating agencies investment grade rating of Big Rivers for the period 2010 through 2013 YTD, and provide related supporting documentation for those ratings.
- b. For Moody's, Fitch, and other rating agencies, identify those factors that could cause a downgrade in Big Rivers' credit ratings and provide supporting

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

documentation. In each case, explain where Big Rivers currently stands in regards to these factors that could cause a downgrade.

- c. Explain in more specificity how Fitch defined "insufficient, inadequate or untimely regulatory support from the Kentucky Commission," (Bailey testimony, p. 11).
58. Reference the Bailey testimony at p. 12, and the Berry testimony at p. 22.
- a. Explain why mitigation will take 3 years?
  - b. When was the 3-year mitigation period forecasted? Was it done in 2009, when the Unwind Transaction took place?
  - c. Explain fully why the length of time necessary to achieve mitigation was not factored into the wholesale and retail contracts with Century and Alcan, and why no effort was made to begin mitigation efforts when aluminum prices reached any certain threshold amounts.
59. Reference the Bailey testimony at p. 13, lines 5-12. Why was the principle of gradualism abandoned?
60. Reference the Bailey testimony at p. 14, line 10. Has he spoken to Kenergy CEO Starheim and the other member CEOs about the anticipated member retail impacts? Please provide copies of any and all correspondence, reports and/or any related documents in this regard.
61. Provide a comparison of the October 2008 Unwind Financial Model filed with the Commission as Exhibit 79 in Case No. 2007-00455 (Commission approval of "Unwind Transaction") and per Commission's November 17 Order in the 2011 rate case (per Ms. Richert testimony, p. 8, lines 3 to 7) to the information including in this current rate case proceeding (and related projected financial results, adjustments, transactions, credit ratings, TIER/MFIR and other factors) and address the following:
- a. Identify and explain all differences between Big Rivers' "Unwind Transaction" model in the prior proceeding to related amounts and projections included in this rate proceeding, and provide supporting calculations and assumptions for all differences.
  - b. Provide all updates to the original "Unwind Transaction" model, from the prior proceeding through 2013 YTD, and provide supporting documentation.
  - c. Identify material changes to the Financial Model and its structure, comparing the model filed in this rate case to the financial model presented in the "Unwind" case.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

62. Ms. Richert's testimony (p. 12, lines 4 to 14) explains the decline in off-system sales as contributing to Big Rivers' precarious financial condition, noting the 2011 Rate Case test period off-system sales net sales margin was \$19.4 million (for twelve months ending October 31, 2010), and the similar net sales margin is projected at \$4.4 million for the projected twelve months ending August 31, 2014 in this proceeding. Address the following and **provide updates on a continuing basis**:
- a. Provide calculations and supporting documents of the \$19.4 million net sales margin from the prior proceeding and show gross sales (by source), offsets, and net sales margin by month.
  - b. For the period November 31, 2010 through 2013 YTD provide actual amounts (and provide projections from 2013 through calendar year 2015 and 2016 included in this proceeding) for gross sales (by source), offsets, and net sales margin for each month. In all cases, explain and show the reasons for significant changes from month to month.
63. Ms. Richert's testimony (p. 12, lines 22 to 24) states that the July 2012 refinancing of RUS debt will provide expense savings that will offset the annual revenue deficiency by about \$4 million. Address the following and **provide updates on a continuing basis**:
- a. Provide all documentation and calculations supporting the July 2012 RUS debt refinance.
  - b. Provide documentation and calculations supporting the change in interest expense, principal payments, debt outstanding and other costs related to the July 2012 RUS refinance.
  - c. Explain and provide all calculations regarding the \$4 million savings cited by Ms. Richert.
  - d. Explain how the refinance of debt impacted the calculation of TIER and MFIR.
  - e. Identify and describe all consulting and other costs that Big Rivers incurred related to the refinancing of debt, and provide amounts by expense/capital account number (and identify the names of all outside consultants). Explain and show all of these costs that are included in this rate proceeding.
64. Reference the Richert testimony at p. 14, lines 2-3, wherein it is stated that Big Rivers "has secured some additional net cost savings" since the 2011 rate case. Please fully identify and quantify any and all such savings.



Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

65. Ms. Richert's testimony (p. 14, line 8 to 16) states that the forecasted test period of September 1, 2013 through August 31, 2014 was selected because it is the first full twelve calendar months following the termination of the Century contract and is representative of Big Rivers' expected operations and financial condition after that date. Address the following and **provide updates on a continuing basis**:

- a. Identify all amounts and adjustments in this forecasted test period ending August 31, 2014 that Big Rivers considers to be "known and measurable", and identify all amounts and adjustments that are not considered to be "known and measurable", and explain why Big Rivers believes such amounts and adjustments are, or are not, "known and measurable."
- b. Provide Big Rivers' definition of "known and measurable" and provide citation to prior Commission rate cases that supports this definition.

66. Ms. Richert's testimony (p. 17, lines 7 to 15) addresses the use of Burns & McDonnell as the vendor for the depreciation study. Address the following and **provide updates on a continuing basis**:

- a. Provide the consulting costs/fees paid to Burns & McDonnell for the depreciation study in the 2011 Rate Case and for the depreciation study in this rate case, and show amounts expensed and capitalized by account number and description, and explain the reasons for differences in these consulting costs/fees.
- b. Provide copies of invoices from Burns and McConnell for the depreciation studies in the 2011 Rate Case and in the current proceeding.
- c. Identify the amounts of Burns & McDonnell consulting fees included in the current rate proceeding by account number, explain if these amounts are amortized, and provide supporting calculations.

67. Reference Richert Exhibit-3.

- a. How do depreciation rates approved by RUS compare to industry standards for a prudent utility?
- b. How long has RUS been concerned about deferrals on major inspections and maintenance?
- c. Please produce all relevant communications and related documents to/from RUS.
- d. Please indicate whether the plan for deferring maintenance was the result of action by Big Rivers' board of directors. If so, please provide a copy of all relevant documents including minutes and resolutions. If it was not the result of

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

- action by the board of directors, please identify who was responsible for making the decision(s).
- e. Please indicate whether the company would agree to allow an expert working on behalf of the Attorney General, and any other intervenor or PSC staff, to inspect Big Rivers' facilities.
68. Please refer to line 10, page 17 of the Richert testimony, where it refers to "process issues" related to Burns & McDonnell's performance of the previous depreciation study for Big Rivers.
- a. List and describe each of the "process issues that arose during the development and completion of the [depreciation] study".
- b. Describe in detail how each of those "process issues" have since been resolved.
69. Provide complete copies of all correspondence and documents related thereto between Big Rivers and Burns & McDonnell, since the selection of Burns & McDonnell to perform the depreciation study for the 2011 rate case.
70. Provide copies of all employment contracts with Big Rivers officers/executives, along with employment contracts of predecessor officer/executives from 2010 through 2013 YTD and **provide updates on a continuing basis.**
71. Provide copies of "golden parachute" agreements and contracts with current Big Rivers officer/executives and for predecessor officer/executives from 2010 through the current date. Identify all "golden parachute" amounts paid from 2010 through 2013 YTD for each employee and show amounts paid by account number and year and **provide updates on a continuing basis.**
- a. Provide copies of any other agreement(s), or cite to any verbal agreements that indicate any compensation or remuneration of any type or sort that would or could be paid to Big Rivers' executives in the event Big Rivers files bankruptcy .
72. Address the following regarding all payments to outside attorneys and legal representation.
- a. Provide all legal costs expensed and capitalized by account number and vendor name for each year 2010, through 2013 YTD and for all forecasted periods. Explain the services provided by each attorney.
- b. Provide copies of invoices for all payments to attorneys from 2011 through 2013 YTD.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

- c. Regarding (a) and (b), identify all recurring and nonrecurring legal fees.
  - d. Regarding (a) and (b), identify all amounts paid as retainers or under a fixed-fee arrangement and provide supporting documentation.
73. Regarding the Company adjustment related to rate case costs, address the following and **provide updates on a continuing basis.**
- a. For all rate case costs included in this rate case, show actual amounts expensed, deferred, and capitalized by the year they were actually incurred or paid, and show actual versus projected amounts included in this rate proceeding. Provide amounts for each specific consultant and attorney.
  - b. For all actual amounts in (a) for each consultant, and for all subsequent actual amounts paid provide copies of the consultants invoices. Show each consultant's hourly billing rate and number of hours for all services performed.
  - c. In addition to amounts included in rate case costs in this proceeding, provide amounts expense and capitalized by account number and by consultant/attorney for each of the years 2010, 2011, 2012, and 2013 YTD. And provide copies of actual invoices and show each consultant's hourly billing rate and number of hours for all services performed.
  - d. Regarding (a), show the number of years that rate case costs are amortized by consultant or in total, explain the reason for this amortization period, and reconcile to the Company's rate case expense adjustment.
  - e. For (a) to (d) above, identify the amounts related to fixed-fee arrangements and retainers.
74. For all outside services consultants and professional fees not previously addressed (regulatory, legal, accounting, research and development, customer service, broker fees, rating agencies, financial, auditing, management studies, compensation studies, special studies, economic, software, service quality, safety, lobbying, public relations, training, etc.) provide the following information for 2011, 2012, and 2013 YTD and **provide updates on a continuing basis:**
- a. Provide the name of the vendor, a brief description of services or products provided, and the amount expensed and capitalized by account number.
  - b. Provide copies of applicable contracts, purchase orders, and engagement letters.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

- c. Provide a copy of all invoices when the total paid to each vendor equals or exceeds \$25,000 per year or if the total contract exceeds \$50,000.
  - d. Provide copies of studies, reports, and recommendations provided by outside consultants.
  - e. Identify all amounts by vendor that are nonrecurring and describe the nonrecurring nature of such costs.
  - f. Identify those amounts impacted by Company proposed adjustments in this rate case, and identify and quantify the related adjustment.
75. Regarding Company proposed adjustments related to salary and wage increases: show all components of the Company's payroll adjustment and provide information in the following format along with supporting documentation). Show all payroll information separately for "exempt" and "non-exempt" labor; and, show all information separately for both "expensed" and "capitalized" amounts.
- a. Show actual unadjusted payroll (per books before Company adjustment), payroll adjustment increases, and adjusted payroll for both exempt and non-exempt on an "expensed" and "capitalized" basis. Identify the percent of payroll expensed versus capitalized in all cases.
  - b. Show the amount of overtime versus regular time labor included in the actual test period unadjusted payroll, payroll adjustment increases, and adjusted payroll for both exempt and non-exempt (and show expensed versus capitalized amounts).
  - c. Show the amount of short-term and long-term incentives included in actual test period 2012 unadjusted payroll, payroll adjustment increases, and adjusted payroll for both exempt and non-exempt (and show expensed versus capitalized amounts).
  - d. Show the amount of Supplemental Executive Retirement Plan ("SERP") pay included in actual test period unadjusted payroll, payroll adjustment increases, and adjusted payroll for both exempt and non-exempt (and show expensed versus capitalized amounts).
  - e. Show the amount of deferred compensation pay included in actual test period unadjusted payroll, payroll adjustment increases, and adjusted payroll for both exempt and non-exempt (and show expensed versus capitalized amounts).

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

- f. Show the amount of bonuses included in actual test period unadjusted payroll, payroll adjustment increases, and adjusted payroll for both exempt and non-exempt (and show expensed versus capitalized amounts).
  - g. Show the amount of severance pay (and similar type pay) included in actual test period unadjusted payroll, payroll adjustment increases, and adjusted payroll for both exempt and non-exempt (and show expensed versus capitalized amounts).
  - h. Show the amount of pay for outside temporary services and contract labor (and similar type pay) included in actual test period unadjusted payroll, payroll adjustment increases, and adjusted payroll for both exempt and non-exempt (and show expensed versus capitalized amounts).
  - i. Show all other non-recurring or one-time labor amounts (and identify and explain each of these components) included in actual test period unadjusted payroll, payroll adjustment increases, and adjusted payroll for both exempt and non-exempt (and show expensed versus capitalized amounts).
  - j. Show all amounts related to storm damage (separately identify how much of regular and overtime payroll is related to storm damage) included in actual test period unadjusted payroll, payroll adjustment increases, and adjusted payroll for both exempt and non-exempt (and show expensed versus capitalized amounts).
  - k. Show the amount of any one-time union payments included in actual test period unadjusted payroll, payroll adjustment increases, and adjusted payroll for both exempt and non-exempt (and show expensed versus capitalized amounts).
  - l. Show the amount of all other categories of payroll (for each category greater than \$100,000) included in actual test period unadjusted payroll, payroll adjustment increases, and adjusted payroll for both exempt and non-exempt (and show expensed versus capitalized amounts).
76. Provide all of the payroll information requested in the previous data request (#75, above) on an actual per book basis for each of the calendar periods 2011 through 2013 YTD, including showing exempt and non-exempt payroll separately and showing expensed versus capitalized payroll separately. If all detailed information is not readily available, provide as much detail as possible. For each category of payroll costs above (overtime, short-term incentives, long-term incentives, bonuses, SERP, temporary/contract labor, severance pay, deferred compensation, etc.), when the amount from year-to-year varies by either 5% or \$200,000, explain the reason for the change and provide supporting documentation.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

77. Regarding the prior data request (#75, above), provide supporting documentation and an explanation for the changes in the amount and percent of payroll expensed versus capitalized for each of the years 2010 through 2012 (explain if this has a correlation to the amount of construction activity or identify reasons causing the change). Provide supporting documentation to show and explain the anticipated expensed versus capitalized percentage in 2013.
78. For the period January 1, 2007 through and including 2013 YTD, explain if the Company has ever changed its practice or policy regarding method of payment, amount of payment, or mix of payment between base salary, short and long term incentives, SERP, and deferred compensation. If applicable, list each and every such practice or policy that was changed, the year in which that practice or policy was changed, and provide accurate and complete copies of any and all documentation related to each change.
79. Please refer to the Barron Direct Testimony at page 5, lines 11-18: Provide the latest load forecast performed by outside consultant for Big Rivers, and identify the outside consultant. Information should be provided in electronic file format compatible with Microsoft Office programs.
- a. Provide documents and workpapers which show if and how the loss of employment from closure of the Century and Alcan smelting facilities is taken into consideration in performing the load forecast, especially as it pertains to forecasted residential and small business demand.
80. Please refer to the Barron Direct Testimony at page 5, lines 11-18: Provide the latest load forecast updated by Big Rivers' Staff. Information should be provided in electronic file format compatible with Microsoft Office programs.
- a. Provide documents and workpapers which show if and how the loss of employment from closure of the Century and Alcan smelting facilities is taken into consideration in performing the load forecast, especially as it pertains to forecasted residential and small business demand.
81. Please refer to the Barron Direct Testimony beginning at page 6, line 14: Provide, on a monthly basis, the number of residential customers, number of small commercial customers, small commercial energy use per customer and residential energy consumption per customer for each subcategory used to develop load forecast. Information should be provided in electronic file format compatible with Microsoft Office programs.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

82. Please refer to the Barron Direct Testimony beginning at page 6, line 14: Provide the actual number of residential customers, number of small commercial customers, small commercial energy use per customer and residential energy consumption per customer for each subcategory for the years of 2010, 2011 and 2012 on a monthly basis. Information should be provided in electronic file format compatible with Microsoft Office programs.
83. Provide all load forecast documentation submitted to the RUS that was used by the RUS in their July 16, 2012 approval. Information should be provided in electronic file format compatible with Microsoft Office programs.
84. Provide documents which show Big Rivers' then-planned uses of revolving credit facilities from CoBank and CFC in 2009, 2010, and 2011.
85. Provide all documents which contain analysis supporting Big Rivers' conclusion that it "had to defer maintenance outages in each of the years 2010, 2011, and 2012 because that was the only option for Big Rivers to meet the minimum margins for interest ratio ("MFIR")", as stated at page 8 lines 12-14 of the Berry testimony (emphasis added).
86. Provide copies of all "previous third party inspection reports", per Berry testimony at page 17, line 8.
87. Please refer to the Berry Direct Testimony at page 7, line 1: Provide five year benchmarking study completed in August 2012 for period from April 2007 through March 2012.
88. Please refer to the Berry Direct Testimony at page 15, line 7: Provide all referenced Staff assessments and risk evaluations.
89. Please provide a complete and current copy of Big Rivers' "Load Concentration Analysis and Mitigation Plan" ["Mitigation Plan"], together with any and all supplements thereto.
  - a. Please describe with specificity each and every step Big Rivers has taken to date in implementation of that plan.
  - b. Please identify and describe each and every action taken by BREC since January 1, 2012 which could reasonably be viewed as mitigating against risks associated with load concentration.
  - c. Please provide any and all analyses, studies, including related financial, market and economic forecasts and associated planning models, utilized to develop the Mitigation Plan.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

- d. Describe whether the company has engaged the services of any consultants to address the financial losses and load losses that will occur from the pending departures of both Century and Alcan. If any, please provide any and all reports, plans or analyses and any and all documents related thereto produced by any such consultants.
90. Please reference the Berry testimony at p. 20, beginning at line 17. Please provide copies of all responses to RFPs. These documents may be provided under seal of confidentiality, if necessary.
91. Please refer to the Berry Direct Testimony at page 22, line 10: Provide all studies, analyses, reports, evaluations, etc. developed and presented and used in the management decision to justify the selection of the Wilson Station to be idled.
92. Please refer to the Berry Direct Testimony at page 26, line 10: Provide Charles River Associates Analysis of Big Rivers' Contingency Reserve Options.
93. Please refer to the Berry Direct Testimony at page 29, line 5: Provide historical and projected MISO costs used to develop Big Rivers forecast in electronic format compatible with Microsoft Office programs
94. Please refer to the Berry Direct Testimony at page 29, line 10: Provide historical values associated with MISO FTR Market settlements used to develop Big Rivers forecast in electronic format compatible with Microsoft Office programs
95. Please refer to the Berry Direct Testimony at page 29, line 16: Provide historical values used to develop Big Rivers' forecast for MISO non-administrative and non-transmission related costs in electronic format compatible with Microsoft Office programs
96. Please refer to the Berry Direct Testimony at page 30, line 18: Provide calculations and results used to determine "realized revenues" from the TVA transmission path in 2012 as well as the calculations and assumptions that were used to use this 2012 "realized revenue" to forecast projected revenues. Provide information in electronic format compatible with Microsoft Office programs.
97. Please refer to the Berry Direct Testimony at page 31, line 13: Provide the generating operating characteristics (capacity, heat rates, outage rates, ramp rates, fuel contract information, demand and energy forecasts and other production cost model input) that Big Rivers supplied ACES to run the production cost model used in the application in electronic format compatible with Microsoft Office programs.



Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

98. Please refer to the Berry Direct Testimony at page 31, line 13: Provide the ACES production model output used in the Big Rivers financial model used in the application in electronic format compatible with Microsoft Office programs.
99. Please refer to the Berry Direct Testimony at page 31, line 13: Provide the ACES PAR model output data that is used in the application by Mr. Siewert in electronic format compatible with Microsoft Office programs.
100. Please refer to Exhibit Berry 1: Provide list of planned major outage activities for each unit for each outage for 2013 and 2014.
101. Please refer to Exhibit Berry 1: Provide any changes to the 2013 and 2014 outage schedule from implementation of the Load Concentration Mitigation Plan. Detail should include all major outage activities for each unit and each outage.
102. Please refer to Exhibit Berry 2: Provide detailed Fixed Departmental Expenses for all units by year and by routine and outage.
103. Please refer to Exhibit Berry 2: Provide any changes to the detailed Fixed Departmental Expenses for all units by year and by routine and outage from implementation of the Load Concentration Mitigation Plan.
104. Please refer to Exhibit Berry 3: Provide detail of each item in capital construction budget 2013-2014 by unit and year. Include description of implementation and if and why an outage or derate is required for implementation (as well as expected duration of outage or derate), reason for performance of activity (environmental requirement, recommended maintenance, industry issue, etc.), and whether activity is scheduled based on expected run hours, age, commitment or expected inspection results or other basis for schedule.
105. Please refer to Exhibit Berry 3: Provide all details of any changes to each item in capital construction budget 2013-2014 by unit and year caused by implementation of Load Concentration Mitigation Plan. Information should include details previously provided including changes to implementation (as well as expected duration of outage or derate), changes to reason for performance of activity (environmental requirement, recommended maintenance, industry issue, etc.), and changes to whether activity is scheduled based on expected run hours, age, commitment or expected inspection results or other basis for schedule.
106. Please refer to Exhibit Berry 4: Provide Wilson Lay-Up plan as well as all scheduled activities to occur during Wilson Lay-Up as well as details regarding Wilson Lay-Up

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

plan security, operating, maintenance and administration staff necessary to implement the plan.

107. If Big Rivers decides to idle the Wilson plant, which carries the lowest variable costs on Big Rivers' system, describe how this will change MISO's economic dispatch of Big Rivers' generation units.

- a. Does Big Rivers agree that if Wilson is idled, its sales to MISO will be reduced? If not, why not?
- b. Provide an analysis of Big Rivers' expected sales to MISO through all of the forecasted test period, both with Wilson being idled, and with Wilson not being idled.
- c. In the event Big Rivers idles the Wilson plant, please confirm that the plant will remain in the company's rate base and that ratepayers will continue to pay for various costs associated with the plant.
- d. Please confirm that the budget included in the filing, which forms the basis for Big Rivers' fully forecasted test period assumes Wilson is idled.
- e. Please provide a summary depicting the expected net total projected savings of shuttering the plant, for as long of a time period as such projections have been made.
- f. Please provide the specific amount of cost that Big Rivers' ratepayers will bear for keeping the Wilson plant in the company's rate base in the event the plant is idled.

108. Please provide a copy of any and all economic analysis(es ) upon which Big Rivers bases or will base its decision to close the Wilson generation unit, and/or any other generation unit(s).

- a. Explain fully why idling Wilson is better and more cost-effective than selling it.

109. Please refer to Crockett Direct at page 5, line 6: Provide quantitative and qualitative description of benefits Big Rivers has received from reductions of transmission congestion and off-system sales and purchase since joining MISO.

110. Has MISO performed any studies upon which Big Rivers will or may rely in making any decision regarding the idling of any particular plant? If so, please provide a copy of any and all such studies, and any other documents related thereto.

111. If Big Rivers implements the proposed plan to idle one or more generation plants, describe or discuss fully the following items:

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

- a. if Big Rivers does not yet know which plant(s) will be idled, how can it be certain that its severance expense will total \$4.6 million, as indicated in the Speed and Haner testimonies? Given the uncertainty as to which plant(s) could be idled, is it appropriate to include \$4.6 million of projected severance costs in its budget?;
  - b. discuss how the timing of the idling will coincide with any severance of employees;
  - c. discuss how the severance will affect Big Rivers' unemployment insurance costs, and whether that cost will be passed on to ratepayers, and if so, how;
  - d. discuss the complete plans Big Rivers has regarding any potential re-hiring of the employees necessary to operate the generating plant(s) in the event that off-system sales should increase enough to justify re-starting the idled plant(s);
  - e. discuss the projected length of time required to re-fire any previously idled coal-fired plants and to prepare them to generate power;
  - f. provide estimates of the projected length of time required for all preparations that would be required for Big Rivers' transmission system to handle and transport power, including but not limited to the measures MISO would have to take to make transmission available to handle the re-started generation load;
  - g. provide the projected costs of re-firing and restarting previously idled coal-fired plants;
  - h. provide any and all projected costs of freeing up and obtaining transmission rights when any idled plants are re-fired and generation is restarted;
  - i. in the event Big Rivers re-starts the idled plants, describe whether the company may have to re-idle them again depending on the need for off-system sales, whether in the MISO footprint or elsewhere. If so, provide the projected total costs of doing so, including the severance of employees.
  - j. If Big Rivers maintains contracts with any union employees, describe whether the contract would allow for: (i) a potential permanent severance of employees; (ii) a potential temporary severance of employees; and/or (iii) a potential series of lay-offs and re-hiring of employees.
  - k. given the nation-wide shortage of skilled electrical workers, how does Big Rivers propose to recruit the employees necessary to re-start and run any idled generation plant(s) in the event re-starting becomes cost-effective?
112. Reference the Haner testimony, p. 11, wherein he states that severance benefits for bargaining unit employees are subject to collective bargaining. If so, describe why Big Rivers' estimated severance costs are known and certain, and thus eligible for recovery from ratepayers?

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

113. Provide a cost-benefit analysis which illustrates the total of all costs associated with idling generation plant(s) (including but not limited to stranded costs), contrasted with the costs of leaving the plant(s) running.
114. Given the fact that Kentucky Utilities Co. ("KU") recently announced publicly that it will retire several generation facilities (at least one of which is located close to Big Rivers' service territory), has Big Rivers explored the possibility of selling the Wilson plant, or other generation / transmission facilities to KU? If so, please describe fully the company's efforts in this regard, and the results, if any.
115. Please refer to Crockett Direct at page 5, line 18: Provide detail on the Engineering supervision cost estimates on each line and substation construction project identified on the latest Big Rivers three- year construction plan. Information should include final spreadsheets, project descriptions, etc. in electronic format compatible with Microsoft Office programs.
116. Please refer to Crockett Direct at page 5, line 18: Provide any changes to the Engineering supervision cost estimates on each line and substation construction project identified on the latest Big Rivers three-year construction plan from implementation of the Load Concentration Mitigation plan.
117. Please refer to Crockett Direct at page 5, line 21: Provide detail on the 2013 and 2014 cost estimates recommended for communication system additions and replacements as well as background information supporting recommendations. Information should include final spreadsheets, project descriptions, etc. in electronic format compatible with Microsoft Office programs.
118. Please refer to Crockett Direct at page 5, line 21: Provide any changes to the 2013 and 2014 cost estimates recommended for communication system additions and replacements from implementation of the Load Concentration Mitigation plan.
119. Please refer to Crockett Direct at page 5, line 21: Provide detail on the 2013 and 2014 estimated cost estimates from the transmission maintenance program capital construction projects and "capital equipment purchases involving little or no labor expenses" as well as background information supporting recommendations. Information should include final spreadsheets, project descriptions, etc. in electronic format compatible with Microsoft Office programs.
120. Please refer to Crockett Direct at page 5, line 21: Provide any changes to the 2013 and 2014 estimated cost estimates from the transmission maintenance program capital construction projects and "capital equipment purchases involving little or no labor expenses" from implementation of the Load Concentration Mitigation plan.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

121. Please refer to Crockett Direct beginning at page 8, line 3: Provide system drawings and diagrams depicting Big Rivers' transmission facilities, their interties to other transmission owners, as well as depicting phase 1 and phase 2 transmission projects. Information may be provided in accessible viewable electronic format (PDF, etc.).
122. Please refer to Crockett Direct beginning at page 8, line 3: Provide any changes to system drawings and diagrams depicting Big Rivers' transmission facilities, their interties to other transmission owners, as well as depicting phase 1 and phase 2 transmission projects from implementation of the Load Concentration Mitigation plan.
123. Please refer to Crockett Direct beginning at page 8, line 3: Provide system drawings and diagrams depicting regional transmission facilities to which Big Rivers is interconnected (overview of interconnected MISO and TVA system, etc.). Information may be provided in accessible viewable electronic format (PDF, etc.).
124. Please refer to Crockett Direct beginning at page 8, line 3: Provide cost detail of phase 2 transmission project. Information should include final spreadsheets, project descriptions, etc. in electronic format compatible with Microsoft Office programs.
125. Please refer to Crockett Direct beginning at page 8, line 3: Provide any changes to cost detail of phase 2 transmission project from implementation of Load Concentration Mitigation plan.
126. Please refer to Crockett Direct beginning at page 8, line 3: Provide copy of all reports, spreadsheets, etc. provided as part of the MISO assessment of transfer capability from the Big Rivers transmission zone into other MISO zones and TVA.
127. Provide Exhibit Barron-3 in electronic format. Spreadsheet should include all related formulas and other worksheets linked to cells printed in the Exhibit in an electronic format compatible with Microsoft Office programs.
128. Please refer to Exhibit Barron 3: Provide Actual 2010, 2011, 2012 Billing Demands and Energy on a monthly basis for comparison to Exhibit Barron-3, in electronic format. Spreadsheet should include all related formulas and other worksheets linked to cells printed in the Exhibit in an electronic format compatible with Microsoft Office programs.
129. Reference the Siewart testimony at pp. 11, lines 15-22. As to Big Rivers' budgeting for costs associated with HMPL, has Big Rivers included all costs associated with the rulings arising out of the litigation / arbitration with HMPL?

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

- a. Please identify all costs associated with pursuing this litigation/ arbitration, state whether the company is seeking to recover any portion or all of those costs in the instant rate filing, and if so, state where those costs are identified in the application.
130. Reference the Siewart testimony, p. 12. The modeling inputs appear to adopt assumptions about debt service on the pollution control bonds/financing case - 6% interest rate. Given that Big Rivers has filed a modified application in Case No. 2012-00492, does any of this testimony need to be revised to reflect the modified plan filed in that case?
131. Provide spreadsheets linked to formulas in Big Rivers Financial Model in Exhibit Siewert-2 electronically in format compatible with Microsoft Office programs. Spreadsheets should include all formulas and links and include any spreadsheets linked to Big Rivers Financial Model in Exhibit Siewert-2.
132. Please refer to Wolfram Direct p.23 1.3 through 1.22 and Wolfram Exhibit 3: Please explain in detail the logic behind using the PROFIX functional vector to allocate costs of FERC accounts 500, 502, 505, 506, 514, 548, and 557 and how this relates to the FERC Predominance Methodology. Please include in the response exactly how costs in these accounts are unrelated to kilowatt hour levels of output.
133. Reference the Wolfram testimony at pp. 38-39. Please produce copies of any and all communications regarding the cost impact estimates between Big Rivers, its consultants and its member-owners.
134. Provide the names and dates of service for each of Big Rivers' last three (3) chief financial officers (regardless of whether they were permanent or interim CFOs), together with the reasons for their departure from Big Rivers.
- a. State whether any of these former CFOs are currently employed by Big Rivers, as an employee, consultant or any other capacity whatsoever
135. Please provide copies of all documents that were provided to the Big Rivers' Board of Directors pertaining to the departures of Mark Hite and Bill Blackburn from employment at Big Rivers.
136. Please provide a copy of all documents pertaining to the departure of Mark Hite and Bill Blackburn from employment at Big Rivers.
137. Please provide copies of all documents that were provided to the Big Rivers' Board of Directors pertaining to the departure of Albert Yockey from employment at Big Rivers.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

138. Please provide a copy of all documents pertaining to the departure of Albert Yockey from employment at Big Rivers.
139. Please refer to Big Rivers' tariff "Standard rate - LICX - Large Industrial Customer Expansion", beginning at Sheet 45 Section 1. Specifically describe how this tariff and its provisions helps or hinders Big Rivers' implementation of the Load Concentration Analysis and Mitigation Plan.
- a. Please explain the import and applicability of the new definition of "Third Party Suppliers" in the proposed tariff sheet number 46.
140. Please refer to Kelly Direct, Depreciation Study at II-1 to II-30: Provide the latest updated Boiler Condition Spreadsheet for all units covered by depreciation study. Information should include electronic format compatible with Microsoft Office programs.
141. Please reference the Depreciation Study, Engineering Assessment, p. II-7 in vol. 5 of the Application. Does Big Rivers agree with the following statement found therein: "Since the Unwind Closing in 2009, Big Rivers has been unable to perform major maintenance . . . . on a schedule consistent with prudent utility operations."
- a. If so, please explain fully why Big Rivers has not been performing major maintenance on a schedule consistent with prudent utility operations.
  - b. If Big Rivers disagrees with the statement, provide a complete explanation as to why not.
  - c. Provide a schedule depicting the inspections that have not been performed.
  - d. Please describe why the inspections referenced in this statement are in fact necessary.
  - e. On what does RUS base its definition of "prudent utility operations?"
142. Please provide all Big Rivers correspondence to RUS that includes the subject of "scheduled major inspections and maintenance per prudent utility operations" as contained in Richert Exhibit 3.
143. Please provide all documents that were provided to the Big Rivers Board of Directors regarding the planning and execution of corporate-wide cost-cutting business strategies referenced at page 23, lines 7-14 of the Richert testimony.
144. Please provide all documents that were provided to the Big Rivers' Board of Directors regarding the planning and execution of business strategies including implementation of cost deferral measures referenced at page 23, lines 7-14 of the Richert testimony.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

145. Please identify any other parts of the business strategies besides corporate-wide cost-cutting and cost deferral measures that were part of Big Rivers' approach for attaining its MFIR for the period referenced in the Richert testimony at page 23.
146. Please provide complete source documentation for all inputs into the Financial Model, in electronic spreadsheet readable file format.
147. Please refer to Speed Direct at page 11, line 7: Provide assumptions, data, and summary of fuel procurement contracts Big Rivers provided to ACES in development of the production cost modeling used as an input to the Big Rivers Financial model used in this case. Information should include spreadsheets, etc., in electronic format compatible with Microsoft Office programs.
148. Please refer to Speed Direct at page 11, line 7: Provide production cost model output data received from ACES for inclusions in the Big Rivers financial model used in this case. Information should include input and output spreadsheets, etc. in electronic format compatible with Microsoft Office programs.
149. Please refer to Speed Direct at page 11, line 7: Provide any changes to information provided to ACES or production cost model outputs from implementation of the Load Concentration Mitigation plan.
150. Please refer to Speed Direct at page 11, line 20: Provide details of the emission fee budget included in the Big Rivers financial model used in this case. Information should include spreadsheets, etc. in electronic format compatible with Microsoft Office programs.
151. Please refer to Speed Direct at page 12, line 9: Provide details of volume and price of off-system sales related to the production cost model included in the Big Rivers financial model used in this case. Information should include input and output spreadsheets, etc. in electronic format compatible with Microsoft Office programs.
152. Please refer to Speed Direct at page 13, line 10: Provide HMP&L general and administrative costs allocated to Big Rivers cost estimate provided to Big Rivers' budget department and included in the Big Rivers' financial model used in this case.
153. Please refer to Speed Direct at page 14, line 3: Provide Big Rivers' calculation of its share of the costs related to the dispatch and operation of HMP&L's Station Two generating station included in the Big Rivers' financial model used in this case. Information should include spreadsheets, etc. in electronic format compatible with Microsoft Office programs.



Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

154. Please refer to the Speed testimony at page 18, line 21. Provide documents and presentation materials associated with Board of Directors' consideration of the 2013 budget. Include all supporting workpapers and documents.
155. Please refer to the Speed testimony at page 18, line 21. Provide documents and presentation materials associated with Board of Directors' consideration of the 2014-2016 financial plans. Include all supporting workpapers and documents.
156. Please provide coincident peak demands on a monthly basis for the rurals, large industrials, and each smelter for the years 2010, 2011 and 2012, as well as the hour and date of each coincident peak.
157. Please provide non-coincident peak demands on a monthly basis for the rurals, large industrials, and each smelter for the years 2010, 2011 and 2012, as well as the hour and date of each non-coincident peak.
158. Please provide monthly energy use for the rurals, large industrials and each smelter for the years 2010, 2011 and 2012.
159. Please provide all workpapers associated with Exhibit Wolfram-3, in electronic spreadsheet format.
160. Please refer to Exhibit Wolfram-5, page 1: Please explain why the witness used "Coincident Peak" allocation for Rural Delivery Point Service and "Non-Coincident Peak" allocation for Large Industrial Customer Delivery Point Service.
161. Please refer to Wolfram Direct at page 18, line 14: Provide details of activities and backup cost estimates related to all non-recurring labor expenses related to lay-up of Wilson plant.
162. Provide copies of Big Rivers' RUS Financial and Operating Report Electric Power Supply, RUS Form 12 or its successor, including all schedules, for the years ending December 31, 2009; December 31, 2010; December 31, 2011; and December 31, 2012 (when and if available).
163. Provide documents which show draws by Big Rivers on its revolving credit facilities with CoBank and CFC over the past 18 months.
164. Provide documents which identify and show the purpose and amounts of all asset reclassifications between accounts since consummation of the "Unwind" transaction in Docket No. 2007-00455, over \$25,000 in amount.
165. Provide fiscal year end budget and budget variance reports, since 2008.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**


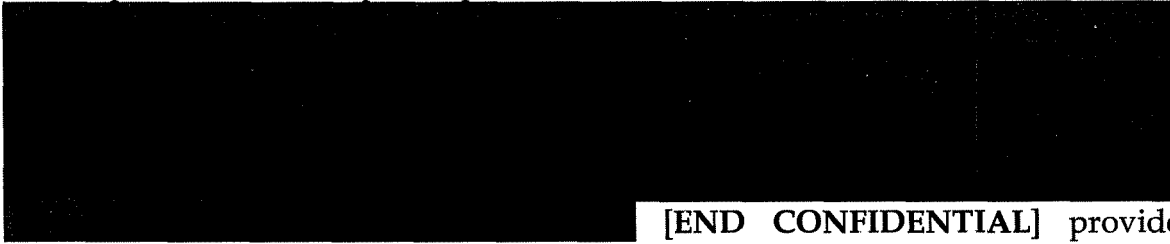
166. Provide a copy of each draft budget provided to the smelters under the terms of the smelter agreements, since 2010.
- a. Provide copies of all correspondence, emails, etc. between Big Rivers and the smelters regarding those draft budgets.
167. Please provide copies of the summary results of all Financial Model runs provided to the Big Rivers Board of Directors in the period January 1, 2012 to current.
168. Please provide copies of the summary results of all Financial Model runs provided to the Big Rivers senior management in the period January 1, 2012 to current.
169. Please provide documents which show the monthly balance of the Economic Reserve beginning with the consummation of the "Unwind" transaction to the current date.
170. Please state whether there has been any use of funds from either the Rural Economic Reserve or the Transition Reserve since the consummation of the "Unwind" transaction to the current date. If there has (have) been use(s) of these funds provide the date, amount and purpose for such draw.
171. Provide all correspondence between Big Rivers and Alcan since January 1, 2012 to current.
172. Provide all correspondence between Big Rivers and Century since January 1, 2012 to current.
173. Provide all documents associated with the MISO evaluation of Big Rivers membership.
174. Are there any additional steps required to terminate the TIER rebate mechanism and requirement at the point Alcan terminates its Smelter Agreement, or would the TIER rebate mechanism and requirement expire automatically at that point?
175. Assume Big Rivers Financial Model projections provided in this case. Please state when Big Rivers' financial modeling indicates:
- a. the Economic Reserve will be exhausted; and,
- b. the Rural Economic Reserve will be exhausted.
176. Please refer to the current bylaws provided in response to PSC 1-1. Please provide documents which show and explain the purposes and reasons for the substantive changes (non-typographical) to the bylaws indicated by "blackline."
177. Please refer to the Financial Policy provided in response to PSC 1-2, at item 4.d. Explain the distinction between interest rate hedging for "speculative" purposes, and for non-

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

speculative purposes, and specifically how Big Rivers makes and applies the distinction between the two hedging purposes.

178. Please refer to the Financial Policy provided in response to PSC 1-2, at item 5. Please provide copies of all documents presented to and considered by the Board in connection with the past three "Annual Fiscal Reviews."
179. Please provide the Sargent & Lundy environmental compliance study produced by Big Rivers in Case No. 2012-00063. If necessary, please provide under seal of confidentiality.
180. Please provide the monthly payments, that Big Rivers has made to MISO for Network Integrated Transmission Service, as well as the corresponding monthly coincident peak demand, and the hour and date of the CP demand, for Kenergy, Jackson Purchase, and Meade County load, and each smelter, if the smelter load is treated separately, since Big Rivers began taking service under the MISO OATT.
181. Please Provide Big Rivers formula rate filings, and the spreadsheets used to develop each filing, for each year that Big Rivers has made such filings under Attachment O of the MISO OATT.
182. Please identify and describe the provisions of BREC's "All Requirements" contract with Kenergy that would permit Kenergy to serve Smelter load from "the Market."
183. Provide documents which show calculation of the monthly MRSM credits per the tariff, showing source data for each element of the calculation, for January 2011 to date.
184. Provide documents which show calculation of the monthly Unwind Surcredit amounts per the tariff, showing source data for each element of the calculation, for January 2011 to date.
185. Please provide documents which show Big Rivers' current debt service costs by debt issuance or obligation on an annual basis through 2018, including principal payments, interest payments, amortizations and other costs of debt.
  - a. Provide a reconciliation of any differences between these current debt service costs, and the debt service costs depicted and included in the Financial Model provided in response to PSC 1-57.
186. Please refer to "Big Rivers Budget 2013 - 2016" provided in response to PSC 1-57. Provide 2012 financial and operating information at the equivalent level of detail, in electronic spreadsheet format.

Application of Big Rivers  
Electric Corporation, Inc.  
For an Adjustment of Rates  
Case No. 2012-00535  
Attorney General's Preliminary Initial Data Requests  
**PUBLIC REDACTED VERSION**

187. Provide the "User's Manual" or equivalent documentation for the Financial Model which shows and describes inputs, input sources, steps and operations of the model, etc.
188. Please refer to the "Electric Rev" tab of the Big Rivers Budget 2013 - 2016. Please provide the calculations and supporting workpapers for the monthly amounts contained in the Revenue Adjustment Rates at rows 18-21, and 33 - 36, for 2013.
189. Provide a run of the Financial Model which uses actual financial and operating results for 2012 as inputs.
190. Please provide the complete spreadsheet labeled **[BEGIN CONFIDENTIAL]**   
  
**[END CONFIDENTIAL]** provided in response to PSC 1 - 57 discovery.