



Via Courier

February 14th, 2013

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

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FEB 14 2013

PUBLIC SERVICE
COMMISSION

Re: Docket CASE NO. 2012-00535 Initial Requests for Information

Dear Mr. Derouen:

Enclosed for the filing are an original and ten copies of the *Ben Taylor and Sierra Club's Initial Requests for Information to Big Rivers Electric Cooperative* and a certificate of service in docket 2012-00535 before the Kentucky Public Service Commission. This filing contains no confidential information.

Sincerely,

Rubén Mojica
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(415)977-5737

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

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

**BEN TAYLOR AND SIERRA CLUB’S INITIAL REQUESTS FOR
INFORMATION TO BIG RIVERS ELECTRIC COOPERATIVE**

Proposed Intervenors Ben Taylor and Sierra Club (collectively “Movants”) pursuant to the Kentucky Public Service Commission’s (“Commission”) February 1, 2013 Order (“February 1 Order”), propound the following requests for information on the Big Rivers Electric Cooperative’s (“Big Rivers”) regarding Big Rivers’ application for an adjustment of rates that is the subject of the above captioned proceeding.

Big Rivers shall answer these requests for information in the manner set forth in the February 1 Order and by no later than the February 28, 2013 deadline set forth in the Appendix of the February 1 Order. Please produce the requested documents in electronic format to:

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85 Second Street, 2nd Floor
San Francisco, CA 94105
robb.kapla@sierraclub.org

Shannon Fisk
Earthjustice
1617 John F. Kennedy Blvd., Suite 1675
Philadelphia, PA 19103
sfisk@earthjustice.org

Wherever the response to a request consists of a statement that the requested information is already available to the Movants, provide a detailed citation to the document that contains the information. This citation shall include the title of the document, relevant page number(s), and to the extent possible paragraph number(s) and/or chart/table/figure number(s).

In the event that any document referred to in response to any request for information has been destroyed, specify the date and the manner of such destruction, the reason for such destruction, the person authorizing the destruction and the custodian of the document at the time of its destruction.

Movants reserve the right to serve supplemental, revised, or additional discovery requests as permitted in this proceeding.

DEFINITIONS

Unless otherwise specified in each individual interrogatory or request, “you,” “your,” “Big Rivers,” “Cooperative” or “Company” refers to Big Rivers Electric Cooperative, and its affiliates, employees, and authorized agents.

“And” and “or” shall be construed either conjunctively or disjunctively as required by the context to bring within the scope of these interrogatories and requests for production of documents any information which might be deemed outside their scope by another construction.

“Any” means all or each and every example of the requested information.

“CO₂” means carbon dioxide

“Communication” means any transmission or exchange of information between two or more persons, whether orally or in writing, and includes, without limitation, any conversation or discussion by means of letter, telephone, note, memorandum, telegraph, telex, telecopy, cable, email, or any other electronic or other medium.

“Document” refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software, and includes all copies, drafts, proofs, both originals and copies either (1) in the possession, custody or control of the Companies regardless of where located, or (2) produced or generated by, known to or seen by the Companies, but now in their possession, custody or control, regardless of where located whether or still in existence.

Such “documents” shall include, but are not limited to, applications, permits, monitoring reports, computer printouts, contracts, leases, agreements, papers, photographs, tape recordings, transcripts, letters or other forms of correspondence, folders or similar containers, programs, telex, TWX and other teletype communications, memoranda, reports, studies, summaries, minutes, minute books, circulars, notes (whether typewritten, handwritten or otherwise), agenda, bulletins, notices, announcements, instructions, charts, tables, manuals, brochures, magazines, pamphlets, lists, logs, telegrams, drawings, sketches, plans, specifications, diagrams, drafts, books and records, formal records, notebooks, diaries, registers, analyses, projections, email correspondence or communications and other data compilations from which information can be obtained (including matter used in data processing) or translated, and any other printed, written, recorded, stenographic, computer-generated, computer-stored, or electronically stored matter, however and by whomever produced, prepared, reproduced, disseminated or made.

Without limitation, the term “control” as used in the preceding paragraphs means that a document is deemed to be in your control if you have the right to secure the document or a copy thereof from another person or public or private entity having actual possession thereof. If a document is responsive to a request, but is not in your possession or custody, identify the person with possession or custody. If any document was in your possession or subject to your control, and is no longer, state what disposition was made of it, by whom, the date on which such disposition was made, and why such disposition was made.

For purposes of the production of “documents,” the term shall include copies of all documents being produced, to the extent the copies are not identical to the original, thus requiring the production of copies that contain any markings, additions or deletions that make them different in any way from the original

“DSM” means demand-side management programs including demand-response, interruptible load, and energy efficiency programs.

“HMP&L” means Henderson Municipal Power & Light

“Identify” means:

- (a) With respect to a person, to state the person’s name, address and business relationship (e.g., “employee”) to Big Rivers;
- (b) With respect to a document, to state the nature of the document in sufficient detail for identification in a request for production, its date, its author, and to identify its custodian. If the information or document identified is recorded in electrical, optical or electromagnetic form, identification includes a description of the computer hardware or software required to reduce it to readable form.

“MATS” means Mercury Air Toxics Standard Rule

“MWh” means megawatt-hours

“NAAQS” means National Ambient Air Quality Standards

“NOx” means nitrogen oxides

“O&M” means operation and maintenance

“Relating to” or “concerning” means and includes pertaining to, referring to, or having as a subject matter, directly or indirectly, expressly or implied, the subject matter of the specific request.

“SO₂” means sulfur dioxide

PRIVILEGE OR CONFIDENTIALITY

If you claim a privilege including, but not limited to, the attorney-client privilege or the work product doctrine, as grounds for not fully and completely responding to any request for information, describe the basis for your claim of privilege in sufficient detail so as to permit the Commission to adjudicate the validity of the claim if called upon to do so.

To the extent that you can legitimately claim that any response or responsive document is entitled to confidentiality, the Movants are willing to enter into a confidentiality agreement that would protect such response or document from public disclosure.

TIME

Unless otherwise provided, the applicable time period for each of these requests for information is January 1, 2009 to the present.

REQUESTS FOR INFORMATION

1. State whether Big Rivers has evaluated how the termination of Alcan's retail electric service agreement with Kenergy will impact Big Rivers' financial situation.
 - a. If so, describe the results of such evaluation and produce any documents or reports regarding that evaluation.
 - b. If not, explain why not.

2. Identify the magnitude of the impact of the termination of Alcan's retail electric service agreement with Kenergy on Big Rivers':
 - a. Peak load in MWs
 - b. Annual energy demand in MWh
 - c. Projected revenue deficiency in the forecasted test period, 2014, and 2015.
 - d. The size of the rate increase that Big Rivers would need to eliminate the revenue deficiency in the forecasted test period, 2014, and 2015.
 - e. Credit rating
 - f. Ability to maintain two investment-grade credit ratings
 - g. Ability to meet its financial obligations to its creditors
 - h. Ability to attract necessary capital

3. Refer to p. 11 line 19 through p. 12 line 2 of the testimony of Billie J. Richert. Given Alcan's notice of termination of its retail electric service agreement with Kenergy, state whether the \$74.5 million rate increase sought in this proceeding would be:
 - a. Adequate to "keep Big Rivers whole"
 - i. If so, explain how.
 - ii. If not, explain why not and identify what level of rate increase would be needed to do so.
 - b. Adequate to "avoid exacerbating the other urgent credit issues facing Big Rivers"
 - i. If so, explain how.
 - ii. If not, explain why not and identify what level of rate increase would be needed to do so.

4. Refer to p. 22 lines 13-19 of the testimony of Billie J. Richert. State whether the rates proposed by Big Rivers in this proceeding will still enable Big Rivers to comply with the minimum MFIR covenant in the indenture given the announced termination of Alcan's retail electric service agreement with Kenergy.
 - a. If so, explain how.
 - b. If not:
 - i. Explain why not.
 - ii. Identify the level of rate increase needed to enable Big Rivers to comply with the minimum MFIR covenant.

5. Refer to p. 26 lines 12-13 of the testimony of Billie J. Richert. With regards to the \$60 million in pollution control equipment expenditures in 2013 and 2014, identify:
 - a. Each pollution control included in that \$60 million
 - i. The cost of each such pollution control
 - ii. The unit on which each such control is to be installed
 - iii. The schedule of installation for each such control
 - iv. The amount that Big Rivers has spent to date for each such control

6. For each year of 2008 through 2012, identify:
 - a. Total off-system sales in MWs
 - b. Total off-system sales revenues

7. For each year of 2013 through 2030, identify:
 - a. Projected total off-system sales in MWs
 - b. Projected total off-system sales revenues

8. Describe all DSM programs presently offered by Big Rivers, including demand-response, interruptible load, and efficiency programs. For each such program, identify the:
 - a. Annual cost of implementation for the life of the program
 - b. MW and MWh reductions achieved per year
 - c. Life expectancy of individual program measures
 - d. Total Resource Cost test score for each program
 - e. Monetary savings from each program

9. Describe each new DSM program, including demand-response, interruptible load, and efficiency programs, that Big Rivers plans to offer in the future. For each such program, identify the estimated:
 - a. Annual cost of implementation for the life of the program
 - b. MW and MWh reductions achieved per year
 - c. Life expectancy of individual program measures
 - d. Total Resource Cost test score for each program
 - e. Monetary savings from each program

10. State whether Big Rivers has performed or reviewed any DSM modeling in determining the level of DSM the company is currently carrying out, or in estimating the level of energy savings or peak demand reduction that is achievable through DSM programs.
 - a. If so, identify the model used, and produce, in machine readable format with formulas intact, the input and output files and workpapers for such modeling.
 - b. If not, explain why not

11. Produce the DSM potential study developed by GDS Associates referenced on p. 14 of the testimony submitted by Albert Yockey, including any workpapers and modeling input and output files in machine readable format with formulas intact.

12. Identify the energy savings in MWhs and peak demand reduction in MWs that Big Rivers achieved through DSM, including demand-response, interruptible load, and efficiency programs, in 2012.

13. Refer to p. 14 lines 13-16 of the testimony submitted by Albert Yockey.
 - a. Explain how Big Rivers selected an annual budget for DSM programs of \$1 million, rather than some other amount.
 - b. State whether the \$1 million annual DSM budget is adequate to achieve all cost-effective energy savings from DSM
 - i. If not, explain why not and identify the annual budget level that would be needed to do so.

14. For each of the years 2013 through 2030:
 - a. Identify Big Rivers' projected DSM budget.
 - b. Identify the projected level of energy savings to be achieved through DSM programs
 - c. Identify the projected level of peak demand reduction to be achieved through DSM programs
 - d. Produce any analyses or documents evaluating the projected levels of energy savings and/or peak demand reduction identified in response to requests 13b and 13c

15. Refer to p. 7 lines 1-4 of the testimony of Robert Berry. Produce the five year benchmarking study referenced therein.

16. Refer to p. 7 line 14 through p. 8 line 4 of the testimony of Robert Berry. With regards to the twenty two maintenance outages that have been delayed, deferred, reduced in scope and duration, or completely cancelled, identify :
 - a. Each project that was planned to occur during the outage
 - b. The cost of each project
 - c. The expected benefit of each project
 - d. The impact on unit reliability, availability, EFOR, and heat rate of the delay, deferral, reduction in scope or duration, or cancellation of each such outage

17. Refer to p. 13 lines 1-10 of the testimony of Robert Berry.
 - a. Explain the basis for the budgeted off-system sales market prices for 2013 and 2014 identified therein.

- i. Identify and produce any analysis, report, or other document upon which those budgeted off-system sales market prices are based.
 - ii. Identify the date that the budgeted off-system sales market price projections were made.
 - b. Identify and explain each reason that the actual off-system sales market prices for 2011 and 2012 were different than the budgeted off-system sales market prices.
 - c. In light of the differences between the budgeted and actual off-system sales market prices in 2011 and 2012, identify and explain any steps you took to try to improve the accuracy of your budgeted off-system sales market prices for 2013 and 2014.
 - d. Identify the projected off-system sales market price for each year of 2015 through 2030.
 - i. Identify and produce any analysis, report, or other document upon which those projected off-system sales market prices are based.
18. Refer to p. 14 lines 4-6 of the testimony of Robert Berry.
 - a. State whether Big Rivers projects that its margins will continue to be “derived almost exclusively from off-system sales.”
 - i. If so, explain why.
 - ii. If not, explain why not and identify how such margins will be derived.
19. Refer to p. 16 line 17 through p. 17 line 2 of the testimony of Robert Berry. Produce any report memorializing Big Rivers’ current capital work plan, and any analyses, reports, or other documents upon which that plan is based.
20. Refer to p. 19 lines 8-13 of the testimony of Robert Berry. Produce the Load Concentration Mitigation Plan referenced therein, and any attendant modeling (including input and output files), workpapers, or analyses.
21. Refer to p. 19 line 19 through p. 20 line 4 of the testimony of Robert Berry.
 - a. Identify the forecasted market prices in MISO for 2013 and 2014 referenced therein.
 - b. Explain the basis for the 2013 and 2014 MISO market price forecasts referenced therein.
 - c. Identify and produce any documents supporting the 2013 and 2014 MISO market price forecasts referenced therein.

- d. Identify when Big Rivers expects marketing all excess power when the market price is greater than marginal generation cost to be an effective mitigation method.
 - i. Explain the basis for such expectation.
- e. Identify any forecasted market prices in MISO for 2015, 2016, and any future year beyond 2016, and explain how such prices were incorporated into this application.

22. Refer to p. 22, lines 3-18 of the testimony of Robert Berry.

- a. Identify the length of time for which Big Rivers expects the Wilson Station to be idled.
- b. Identify the cost of maintaining the Wilson Station while it is idled.
- c. Identify the variable cost of production savings that Big Rivers expects to achieve through the idling of the Wilson Station.
- d. Identify the FDE cost savings that Big Rivers expects to achieve through the idling of the Wilson Station.
- e. State whether additional Big Rivers generating units are planned to be or may need to be idled in light of Alcan's announced termination of its retail electric service agreement with Kenergy.
 - i. If so, identify which units and the length of time of such idling.
 - ii. If not, explain why not.
- f. State whether Big Rivers has notified or applied for approval from MISO for the idling of the Wilson Station.
 - i. If so, produce any such notification or approval application, and any response from MISO.
 - ii. If not, explain why not.
- g. State whether Big Rivers has notified or applied for approval from MISO for the idling of any of its other generating units.
 - i. If so:
 - 1. Identify the unit or units
 - 2. Produce such notification or approval application.
 - 3. Produce any response received from MISO.
 - ii. If not, explain why not.

23. State whether Big Rivers has evaluated the retirement, rather than idling, of any of its generating units as an option for mitigating the impact of the termination of the Century contract and/or of the decline in off-system sales revenues.

- a. If so:
 - i. Identify which unit or units were evaluated
 - ii. Explain the results of that evaluation

- iii. Produce any report or other document regarding that evaluation
 - b. If not, explain why not.
 - c. State whether the recent notice of termination of Alcan's retail electric service agreement with Kenergy has led to the evaluation of the retirement, rather than idling, of any of Big Rivers' generating units.
 - i. If so:
 - 1. Identify which unit or units were evaluated
 - 2. Explain the results of that evaluation
 - 3. Produce any report or other document regarding that evaluation
 - ii. If not, explain why not.

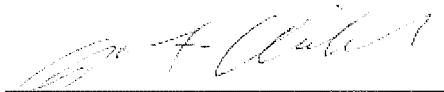
24. Refer to p. 31 line 13 to p. 32 line 5 of the testimony of Robert Berry.
- a. Identify and produce all production cost model input data that Big Rivers provided to ACES.
 - b. Identify which financial model ACES used, who is the vendor of the model, and whether the model is a proprietary model that requires a license in order to gain access to the files.
 - c. Produce, in machine readable format with formulas intact, all of the production cost modeling (including input and output files) and workpapers generated by ACES
 - d. Identify and produce all PAR model output data that ACES provided to Big Rivers.
 - e. Please identify any changes to the input files that may be required to reproduce the modeling.
 - i. If changes are required, please explain why such changes were made.
 - f. Please identify the assumptions, including any supporting documentation, Big Rivers or its agents used in each base case and sensitivity scenario that you modeled
 - g. If a license is required to obtain access to any information in this request, please explain how Sierra Club could obtain that license or, if they already have a license, who they should provide information to regarding the license to obtain the files.

25. With regards to any modeling carried out for this application, identify for each of the years 2013 through 2031, and each of the Wilson, Green, Coleman, Reid, or HMP&L generating units, identify the annual assumed:
- a. Non-environmental capital expenditures
 - b. Capital expenditures for pollution controls

- c. Fixed O&M costs
 - d. Variable O&M costs
 - e. Fuel costs
 - f. Heat rate
 - g. Capacity factor
 - h. EFOR
26. Produce a copy of any assessment of each of the following that has been prepared by or for Big Rivers:
- a. future natural gas prices
 - b. future coal prices
 - c. future market energy prices
 - d. future market capacity prices
 - e. future carbon costs, taxes, or emission allowance prices.
27. Identify Big Rivers' actual electric energy sales in MWh and actual peak loads in MW for each year since 2004.
28. Identify Big Rivers' projected electric energy sales in MWh and projected peak demand in MW for each year of 2013 through 2030. State whether these projections assume the termination of both the Century and Alcan retail electric service agreements. If not, explain how those projections change in light of both terminations.
29. Refer to p. 5 lines 21-22 of the testimony of Lindsay N. Barron. Produce the 2011 Load Forecast and, in machine readable format with formulas intact, all attendant modeling (including input and output files) and workpapers.
30. Refer to p. 6 lines 3-8 of the testimony of Lindsay N. Barron.
- a. Produce the load forecast used in the development of Big Rivers' budgets and this application, and all attendant modeling (including input and output files) and workpapers in machine readable format with formulas intact.
 - b. Identify all updates or changes made to the inputs or assumptions used in the 2011 Load Forecast in developing the load forecast for this application.
 - i. Explain the basis for each such update or change to the 2011 Load Forecast.

31. Refer to p. 5 line 3 through p. 6 line 3 of the testimony of Travis Siewert. Produce, in machine readable format with formulas intact, all of the financial modeling (including input and output files) and workpapers that Big Rivers generated for this proceeding.
32. For each of the Wilson, Green, Coleman, Reid, or HMP&L generating units:
- a. Identify the estimated retirement date
 - b. Produce any analysis or assessment of the economics of continued operation of such unit
 - c. Produce any analysis or assessment of the impact that retirement of each unit would have on capacity adequacy, transmission grid stability, transmission grid support, voltage support, or transmission system reliability
 - d. Identify any transmission grid upgrades or changes that would be needed to permit the retirement of any of the units
 - e. Produce any analysis or assessment of the need for the continued operation of each unit.
33. For each of the following existing, proposed, or potential regulatory requirements, produce any evaluation of the pollution controls that would be needed, or the estimated costs that would be incurred, to bring each of Big Rivers' coal-fired electric generating units into compliance with the requirement:
- a. 1-hour SO₂ NAAQS
 - b. The proposed Coal Combustion Residuals Rule
 - c. Section 316(b) of the Clean Water Act
 - d. Section 316(a) of the Clean Water Act
 - e. Clean Water Act effluent limitation guidelines
 - f. Clean Air Interstate Rule
 - g. Ozone NAAQS
 - h. PM_{2.5} NAAQS
 - i. Greenhouse gas New Source Performance Standards
 - j. MATS

Respectfully submitted,



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Dated: February 14, 2013

CERTIFICATE OF SERVICE

I certify that I mailed a copy of Ben Taylor and Sierra Club's First Request for Information from Big Rivers Electric Cooperative by FedEx mail on February 14, 2013 to the following:

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