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November 19, 2013

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PUBLIC SERVICE
COMMISSION

Via Hand Delivery

Hon. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
P. O. Box 615
Frankfort, KY 40601

***Re: In the Matter of Application of Big Rivers Electric Corporation for a
General Adjustment in Rates, Case No. 2012-00535***

Dear Mr. Derouen:

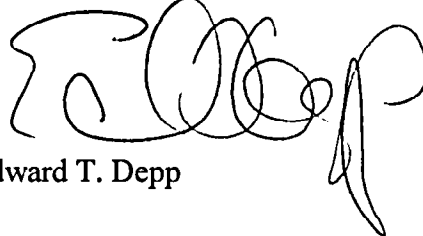
With this letter I am enclosing one (1) original and eleven (11) copies of Big Rivers Electric Corporation's Motion for Clarification in the above-referenced matter.

Please return a file stamped copy to our courier.

Thank you, and if you have any questions, please call me.

Sincerely,

DINSMORE & SHOHL LLP



Edward T. Depp

ETD/jan
Enclosure

cc: All Parties of Record

1 COMMONWEALTH OF KENTUCKY
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3 BEFORE THE PUBLIC SERVICE COMMISSION
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5 In the Matter of:
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8 APPLICATION OF BIG RIVERS)
9 ELECTRIC CORPORATION FOR A) Case No. 2012-00535
10 GENERAL ADJUSTMENT IN RATES)
11)
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14 **BIG RIVERS ELECTRIC CORPORATION'S**
15 **MOTION FOR CLARIFICATION**

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17 Pursuant to KRS 278.400 and 807 KAR 5:001, Big Rivers Electric Corporation ("Big
18 Rivers"), by counsel, moves the Public Service Commission of the Commonwealth of Kentucky
19 (the "Commission") for clarification of its October 29, 2013 Order (the "Order") in the above-
20 captioned matter. Specifically, Big Rivers seeks clarification as to whether the Commission has
21 authorized Big Rivers to establish a regulatory asset to record severance costs related to the
22 anticipated idling of Big Rivers' Coleman Station. In support of its motion, Big Rivers states as
23 follows.

24 In its Application in this matter, Big Rivers requested "authority to establish a regulatory
25 asset and amortize certain severance costs over a period of 60 months" (Application at p.
26 7.) This request was made in order to adhere to the Commission's procedures for establishing
27 regulatory assets, which require an "affirmative determination" from the Commission prior to
28 establishing the asset. See, e.g., *In the Matter of Adjustment of the Rates of Kentucky-American*
29 *Water Co.*, P.S.C. Case No. 2004-00103, 2005 Ky. PUC LEXIS 192, Order of Feb. 25, 2005, at
30 *59-60.

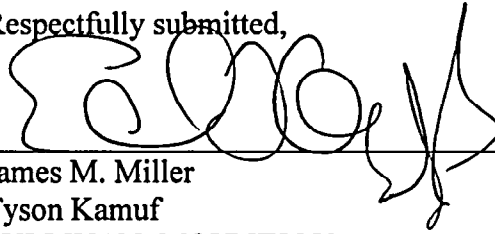
1 In its Order, the Commission apparently deferred full consideration of the ratemaking
2 treatment of the severance costs related to the anticipated idling of the Coleman Station to Big
3 Rivers' next rate case, Case No. 2013-00199. (Order at p. 35.) The apparent reason for this
4 deferral is the Commission's determination that Big Rivers would likely not incur any severance
5 expenses until May 31, 2014, and any such costs would therefore be reflected in the forecasted
6 test period utilized in Case No. 2013-00199. (*Id.*) The Order does not appear to address Big
7 Rivers' request for authority to establish a regulatory asset.

8 As discussed in Big Rivers' July 26, 2013 Post-Hearing Brief, Big Rivers does not know
9 for certain the date on which it will begin to incur severance costs related to the Coleman Station
10 idling because that date depends in part on the future actions of the Midcontinent Independent
11 System Operator, Inc. ("MISO") and Century Aluminum of Kentucky General Partnership.
12 (Post-Hearing Brief at pp. 122-23.) Consequently, it remains possible that Big Rivers will incur
13 some severance costs related to the idling of the Coleman Station before the forecasted test
14 period utilized in Case No. 2013-00199 or before the issuance of a final order in that case.

15 Big Rivers understands that the amortization of severance costs over a period of 60
16 months is not included in the revenue requirement established in the Order, and that the
17 Commission expects to address the ratemaking treatment of Big Rivers' severance costs in Case
18 No. 2013-0199. Nevertheless, in light of the uncertain timing of those severance costs and to
19 ensure its right to seek recovery of those costs should Big Rivers incur them, Big Rivers seeks
20 clarification from the Commission in the form of an "affirmative determination" that Big Rivers
21 is authorized at this time to record as a regulatory asset all severance costs it incurs as a result of
22 the idling of the Coleman Station.

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Respectfully submitted,



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CERTIFICATE OF SERVICE

2 I hereby certify that a true and correct copy of the foregoing was or will be served on the
3 following by Federal Express or by hand delivery upon the persons listed below, on the date this
4 motion is filed with the Kentucky Public Service Commission or the following day.

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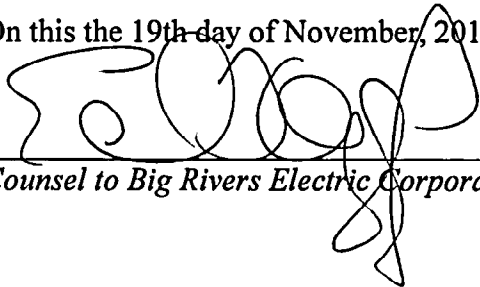
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On this the 19th day of November, 2013



Counsel to Big Rivers Electric Corporation