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March 28, 2013

Mr. Jeff Derouen
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, KY 40601

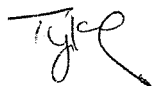
RECEIVED
MAY 29 2013
PUBLIC SERVICE
COMMISSION

*In the Matter of: An Examination of the Application of the Fuel
Adjustment Clause of Big Rivers Electric
Corporation from November 1, 2010 through
October 31, 2012 – Case No. 2012-00555*

Dear Mr. Derouen:

Enclosed find an original and six (6) copies of the responses of Big Rivers Electric Corporation ("Big Rivers") to the Commission Staff's Second Request for Information, dated March 15, 2013, in the aforementioned matter. Please confirm the Commission's receipt of these responses by placing the Commission's date-and-time stamp on the enclosed additional copy and returning it to Big Rivers.

Sincerely,



Tyson Kamuf

C: Billie J. Richert

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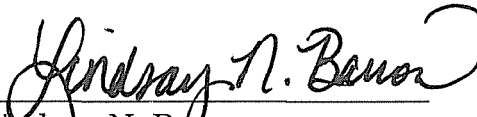
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BIG RIVERS ELECTRIC CORPORATION
AN EXAMINATION OF THE APPLICATION
OF THE FUEL ADJUSTMENT CLAUSE
OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2010 THROUGH OCTOBER 31, 2012
CASE NO. 2012-00555

VERIFICATION

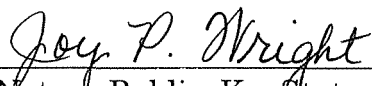
I, Lindsay N. Barron, verify, state, and affirm that I prepared or supervised the preparation of my responses to data requests filed with this Verification, and that those responses are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Lindsay N. Barron

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Lindsay N. Barron on this the 22 day of March, 2013.



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

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



Your Touchstone Energy® Cooperative 

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

AN EXAMINATION OF THE APPLICATION)	
OF THE FUEL ADJUSTMENT CLAUSE)	
OF Big Rivers ELECTRIC CORPORATION)	Case No.
FROM)	2012-00555
NOVEMBER 1, 2010 THROUGH OCTOBER 31, 2012)	

**Responses to Commission Staff's
Second Request for Information
dated
March 15, 2013**

FILED: March 28, 2013

Big Rivers ELECTRIC CORPORATION

AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF Big Rivers ELECTRIC CORPORATION
FROM NOVEMBER 1, 2010 THROUGH OCTOBER 31, 2012
CASE NO. 2012-00555

Response to Commission Staff's
Second Request for Information
dated March 15, 2013

March 28, 2013

1 Item 1) *Refer to Big Rivers' response to Item 38 of the Commission's*
2 *February 13, 2013 Request for Information ("February 13, 2013 Request").*

3

4 *a. Big Rivers was requested to provide its generating units in*
5 *economic dispatch order. The order was not provided.*
6 *Provide a listing of Big Rivers' generating units in*
7 *economic dispatch order.*

8 *b. When the Midwest Independent Transmission System*
9 *Operator ("MISO") requires Big Rivers to run its generating*
10 *units out of economic dispatch order, is Big Rivers*
11 *compensated for doing so? Explain the response.*

12

13 **Response)**

14 a. As of March 25, 2013, based on current unit operating
15 performance, fuel and non-fuel variable O&M pricing, and
16 compliance costs, Big Rivers units at full-load, have the following
17 economic dispatch order: Wilson, Green 2, Green 1, Coleman 3,
18 Coleman 2, Coleman 1, HMP&L 1, HMP&L 2, Reid 1, and Reid
19 Combustion Turbine. Please note, this order can vary as fuel or
20 reagent costs or plant performance statistics change.

21 b. Yes. Because MISO dispatches each Big Rivers' generator based
22 on its locational marginal price ("LMP") to optimize reliability and

Big Rivers ELECTRIC CORPORATION

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1 economics for the entire MISO system there is no definitive "Big
2 Rivers generator dispatch stacking order." MISO's 5-minute LMP
3 for each generator is a market-driven price that includes energy,
4 loss, and congestion cost components. Congestion costs assessed
5 by location in MISO can drive LMPs that may not correlate with
6 variable costs. MISO uses the congestion component of the LMP
7 and make-whole payments to compensate generators, who may
8 not be the next most inexpensive unit from a variable cost
9 perspective, but who are needed for system reliability or market
10 efficiency.

11

12

13 **Witness)** Lindsay N. Barron

14

Big Rivers ELECTRIC CORPORATION

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FROM NOVEMBER 1, 2010 THROUGH OCTOBER 31, 2012
CASE NO. 2012-00555**

**Response to Commission Staff's
Second Request for Information
dated March 15, 2013**

March 28, 2013

1 **Item 2)** *Refer to Big Rivers' response to Item 41 of the February 13,*
2 *2013 Request. The last sentence of the response states: "The start-up fuel*
3 *cost portion of the MISO make-whole payments is what is being credited in*
4 *the monthly FAC Form A filings on page 2 of 4." State whether the*
5 *response means that start-up fuel costs are the only amounts that are*
6 *credited in the monthly FAC filing Whole Payments."*

7

8 **Response)** Start-up fuel costs are the only amounts that are credited in the
9 monthly FAC filing Make-Whole Payments.

10

11

12 **Witness)** Lindsay N. Barron

13