

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC)	
CORPORATION FOR A GENERAL ADJUSTMENT)	CASE NO.
IN RATES SUPPORTED BY FULLY FORECASTED)	2013-00199
TEST PERIOD)	

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
TO BIG RIVERS ELECTRIC CORPORATION

Big Rivers Electric Corporation ("Big Rivers"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due by September 30, 2013. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the 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.

Big Rivers shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Big Rivers fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to the application, pages 35-36 of the Direct Testimony of John Wolfram ("Wolfram Testimony"). Beginning at line 20 on page 38, Mr. Wolfram states that if the Commission were to issue an order in Case No. 2012-00535¹ that differs from the rates provided by Big Rivers in its rebuttal testimony filed on June 24, 2013 in that case, it would need to adjust the rates proposed in this proceeding. If upon issuance of a final order in Case No. 2012-00535, Big Rivers is not awarded the rates contained in the rebuttal testimony, provide a revised copy of all exhibits that would change as a result of the change in base rates. For Exhibits Wolfram 3-5, provide the revisions in both hard copy and Excel spreadsheet format with the formulas intact and unprotected, and with all rows and columns accessible. The requested information is due within 14 days of the issuance of a final order in Case No. 2102-00535.

2. Refer to the response to Item 3 of Commission Staff's Second Request for Information ("Staff's Second Request") and Tab 28 of the application, Attachment 3, pages 19-20. Provide the amount of borrowings and principal payments in 2015 and

¹ Case No. 2012-00535, Application of Big Rivers Electric Corporation for an Adjustment of Rates, filed Jan. 15, 2012.

2016 that produce the Net Principal Payment on Debt Obligation amounts shown for each of these years.

3. Refer to the response to Item 10 of Staff's Second Request.
 - a. Refer to the response to part a. Provide the reserve funds balances as of August 31, 2013. Consider this a continuing request to provide the updated balances of each of the reserve funds on a monthly basis throughout this proceeding.
 - b. Refer to the response to part b. The response states that the offset for the Rural class would be \$23.76 per MWh. Confirm that the offset for the Large Industrial class would be \$15.80 per MWh. If this cannot be confirmed, provide the amount and how it was calculated.
 - c. Refer to the attachment to the response to part c., page 2 of 3, the Wholesale columns. Explain why the "Rate After Depletion" would not be the same under each of the three scenarios shown.
4. Refer to the response to Item 24.b. of Staff's Second Request, specifically, the second sentence of the response, which states, "Thus it is appropriate to remove the surcredit amount from the revenue requirement in this case in order to eliminate the regulatory lag...." Explain what regulatory lag is being eliminated.
5. Refer to the response to Item 27 of Staff's Second Request, page 18 of the Wolfram Testimony, and Reference Schedule 1.13 of Exhibit Wolfram-2. The response states that the adjustment in the reference schedule removes non-recurring non-labor costs associated with the Coleman Station lay-up. However, neither the response nor the testimony references that the adjustment does not remove all of these

costs, but that it leaves 20 percent of the costs in the test year as a means of amortizing them over five years for ratemaking purposes. Explain why it is appropriate to amortize and recover these non-recurring costs.

6. Refer to the response to Item 33 of Staff's Second Request, page 2 of 2, which was filed under petition for confidentiality. Explain in detail why Big Rivers is not proposing to increase the energy charge for its rate classes to the amount that appears on this page as "Total Production Energy (Per kWh)."

7. Refer to the response to Item 34 of Staff's Second Request which shows the current and proposed environmental surcharge amounts for the Rural and Large Industrial classes. Provide a table in the same format as that provided in Big Rivers' response to Item 1.a. of Commission Staff's Fourth Request for Information in Case No. 2012-00535 comparing the amount of environmental surcharge revenues without a base rate adjustment and with the base rate adjustment. In addition, if a revised Exhibit Wolfram-5 is filed in response to Item 1 of this request, provide the same table using the revised amounts within 14 days of issuance of a final order in Case No. 2012-00535.

8. Refer to the Direct Testimony of Robert Berry, page 10, wherein Mr. Berry states that "the market prices in MISO for the 2013 and 2014 time frame indicate that off-system sales margins will remain depressed..." Provide test year off-system sales revenues, both gross and net, in whole dollar amounts rather than rounded numbers.

9. Refer to the response to Item 14 of Kentucky Industrial Utility Customers, Inc.'s ("KIUC") first information request which was filed under petition for confidentiality. Explain the fluctuations in off-system sales revenues for the years 2015-2019.

10. Refer to the response to Item 57 of the first information request of KIUC and page 1 of Exhibit Wolfram-2 to the Wolfram Testimony. Given that Century will be required to pay roughly 34.5 percent of the ACES fees of \$2.27 million in 2014, explain why an adjustment to decrease Big Rivers' test-year expenses by approximately \$783,150 was not included in the exhibit.

11. Refer to the response to Item 12 of the first information request of Ben Taylor and Sierra Club. Provide Big Rivers' current understanding of the maximum period of time Century Aluminum is expected to incur System Support Resource costs.



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ENTERED
SEP 16 2013
KENTUCKY PUBLIC
SERVICE COMMISSION

DATED SEP 16 2013

cc: Parties of Record

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