

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC
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PUBLIC SERVICE
COMMISSION

July 23, 2013

Via FedEx

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Executive Director
Public Service Commission of Kentucky
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Frankfort, Kentucky 40602-0615

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*Also Licensed in Indiana

*Re: In the Matter of: Application of Big Rivers Electric Corporation
for a General Adjustment in Rates, Case No. 2013-00199*

Dear Mr. Derouen:

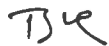
Big Rivers Electric Corporation ("Big Rivers") hereby files an original and ten (10) copies of its First Updated response to Items 43 and 54 of the Commission Staff's Initial Request for Information dated June 10, 2013, and to which Big Rivers initially provided responses on July 12, 2013. Big Rivers also hereby files its First Updated response to Tab 35 of its Application filed on June 28, 2013.

Please confirm the Commission's receipt of this information by having the Commission's date stamp placed on the enclosed additional copy and returning to Big Rivers in the self-addressed, postage paid envelop provided.

A copy of this response has been provided by either first class U.S. postage or overnight express delivery to the attached service list.

Should you have any questions about this matter, please contact me.

Sincerely yours,



Tyson A. Kamuf

TAK/ej
Enclosure

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BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199**

VERIFICATION

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


Billie J. Richert

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Billie J. Richert on this
the 22nd day of July, 2013.



Notary Public, Ky. State at Large
My Commission Expires 1-12-17

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199**

VERIFICATION

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



DeAnna M. Speed

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by DeAnna M. Speed on this
the 22nd day of July, 2013.



Notary Public, Ky. State at Large
My Commission Expires 1-12-17

ORIGINAL



Your Touchstone Energy® Cooperative 

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION FOR A) **Case No. 2013-00199**
GENERAL ADJUST IN RATES)

***First Updated* Responses to the Big Rivers Application
Tab 35 originally filed June 30, 2013**

***First Updated* Responses to the Commission Staff's
Initial Request for Information dated June 10, 2013**

FILED: July 24, 2013

ORIGINAL

Big Rivers Electric Corporation
Case No. 2013-00199
Forecasted Test Period Filing Requirements
(Forecast Test Year 12ME 01-31-2015; Base Period 12ME 09/30/2013)

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Tab No. 35 – July 12, 2013
First Update Tab No. 35 – July 24, 2013
Filing Requirement
807 KAR 5:001 Section 16(12)(o)
Sponsoring Witness: Ms. Billie J. Richert


Description of Filing Requirement:

Complete monthly budget variance reports, with narrative explanations, for the twelve (12) months prior to the base period, each month of the base period, and any subsequent months, as they become available.

Response:

Attached hereto is the monthly variance report for April 2013. With its application filed on June 28, 2013, Big Rivers provided monthly variance reports, with narrative explanations, for October 2011 through March 2013.



Your Touchstone Energy® Cooperative 

Financial Report
April 2013
(\$ in Thousands)

Board Meeting Date: June 21, 2013



Summary of Statement of Operations YTD – April

	2013			2012	
	Actual	Budget	Fav/(UnFav) Variance	Actual	Fav/(UnFav) Variance
Revenues	199,438	191,592	7,846	179,961	19,477
Cost of Electric Service	189,981	190,787	806	182,111	(7,870)
Operating Margins	9,457	805	8,652	(2,150)	11,607
Interest Income/Other	1,448	1,943	(495)	68	1,380
Net Margins - YTD	10,905	2,748	8,157	(2,082)	12,987



Your Touchstone Energy® Cooperative

Statement of Operations – April Variance to Budget

	Current Month			Year-to-Date			Explanation
	Actual	Budget	Variance Fav/(UnFav)	Actual	Budget	Variance Fav/(UnFav)	
ELECTRIC ENERGY REVENUES	47,914	43,807	4,107	198,100	190,357	7,743	[A] Pages 7, 9-13, 16-21
OTHER OPERATING REVENUE AND INCOME	305	308	(3)	1,338	1,235	103	
TOTAL OPER REVENUES & PATRONAGE CAPITAL	48,219	44,115	4,104	199,438	191,592	7,846	
OPERATION EXPENSE-PRODUCTION-EXCL FUEL	4,323	4,498	175	16,935	18,244	1,309	[A] Pages 8, 14-15, 22
OPERATION EXPENSE-PRODUCTION-FUEL	20,294	20,669	375	81,325	84,046	2,721	[A] Pages 8, 14-15
OPERATION EXPENSE-OTHER POWER SUPPLY	8,958	7,703	(1,255)	36,384	30,839	(5,545)	[A] Pages 8, 14-15, 22
OPERATION EXPENSE-TRANSMISSION	985	736	(249)	3,818	3,065	(753)	[B] Page 23
OPERATION EXPENSE-RTO/ISO	200	176	(24)	899	760	(139)	
OPERATION EXPENSE-CUSTOMER ACCOUNTS	63	0	(63)	63	0	(63)	
CONSUMER SERVICE & INFORMATIONAL EXPENSE	70	85	15	202	403	201	
OPERATION EXPENSE-SALES	5	7	2	15	36	21	
OPERATION EXPENSE-ADMINISTRATIVE & GENERAL	2,031	2,220	189	8,630	9,452	822	[C] Page 24
TOTAL OPERATION EXPENSE	36,929	36,094	(835)	148,271	146,845	(1,426)	
MAINTENANCE EXPENSE-PRODUCTION	2,618	3,937	1,319	11,821	13,361	1,540	[B] & [C] Page 25
MAINTENANCE EXPENSE-TRANSMISSION	315	372	57	1,261	1,565	304	[B] Page 26
MAINTENANCE EXPENSE-GENERAL PLANT	10	18	8	87	73	(14)	
TOTAL MAINTENANCE EXPENSE	2,943	4,327	1,384	13,169	14,999	1,830	
DEPRECIATION & AMORTIZATION EXPENSE	3,428	3,452	24	13,716	13,780	64	
TAXES	2	0	(2)	2	0	(2)	
INTEREST ON LONG-TERM DEBT	3,694	3,837	143	14,788	15,062	274	
INTEREST CHARGED TO CONSTRUCTION-CREDIT	(28)	(46)	(18)	(135)	(77)	58	
OTHER INTEREST EXPENSE	0	0	0	0	0	0	
OTHER DEDUCTIONS	30	45	15	170	178	8	
TOTAL COST OF ELECTRIC SERVICE	46,998	47,709	711	189,981	190,787	806	
OPERATING MARGINS	1,221	(3,594)	4,815	9,457	805	8,652	
INTEREST INCOME	162	169	(7)	665	680	(15)	
ALLOWANCE FOR FUNDS USED DURING CONST	0	0	0	0	0	0	
OTHER NON-OPERATING INCOME - NET	0	0	0	0	0	0	
OTHER CAPITAL CREDITS & PAT DIVIDENDS	0	25	(25)	783	1,263	(480)	[B] Page 27
EXTRAORDINARY ITEMS	0	0	0	0	0	0	
NET PATRONAGE CAPITAL OR MARGINS	1,383	(3,400)	4,783	10,905	2,748	8,157	

YTD Explanations: [A] Gross Margin, [B] 10% of budgeted line item and \$250,000 or [C] 10% of budgeted margins and \$500,000.



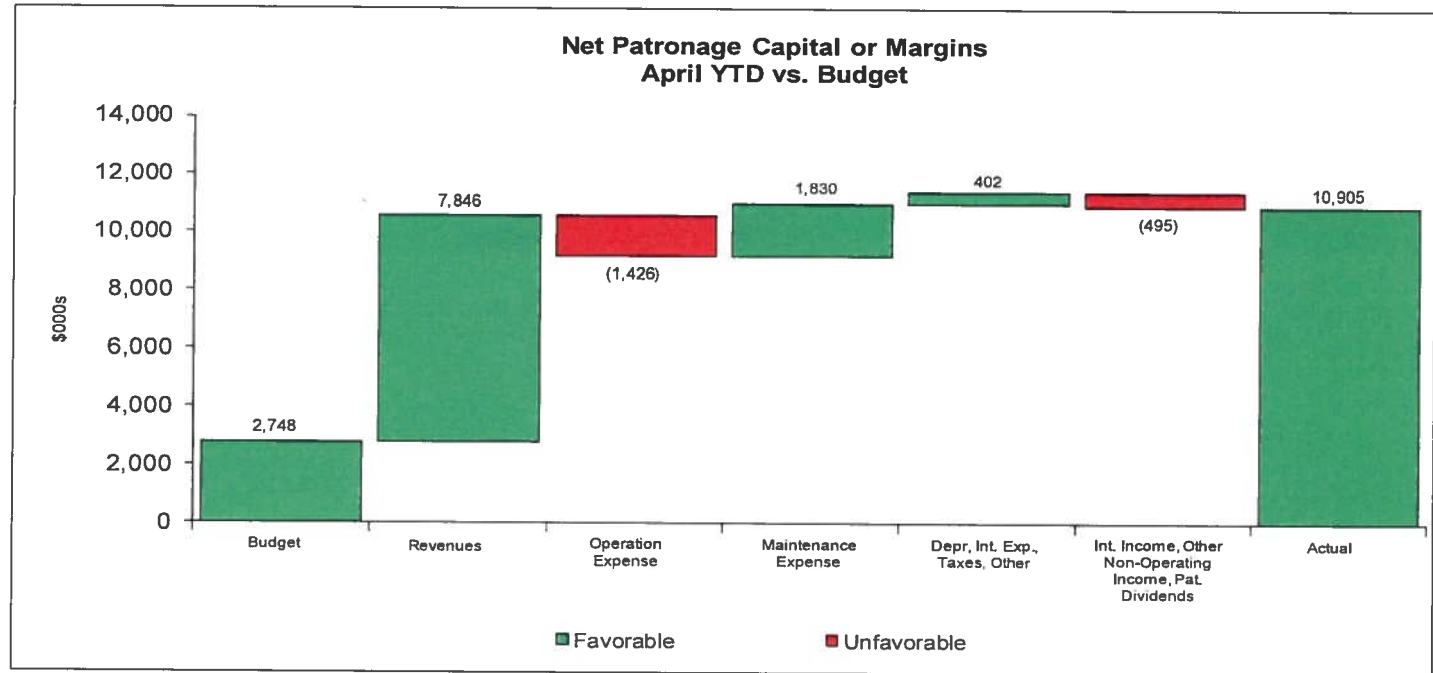
Your Touchstone Energy® Cooperative

Statement of Operations – April Variance to Prior-Year

	Current Month			Year-to-Date			Explanation
	Actual	Prior Year	Variance Fav/(UnFav)	Actual	Prior Year	Variance Fav/(UnFav)	
ELECTRIC ENERGY REVENUES	47,914	44,334	3,580	198,100	178,434	19,666	[A] Pages 7, 9-13, 16-21
OTHER OPERATING REVENUE AND INCOME	305	322	(17)	1,338	1,527	(189)	
TOTAL OPER REVENUES & PATRONAGE CAPITAL	48,219	44,656	3,563	199,438	179,961	19,477	
OPERATION EXPENSE-PRODUCTION-EXCL FUEL	4,323	3,987	(336)	16,935	15,807	(1,128)	[A] Pages 8, 14-15, 22
OPERATION EXPENSE-PRODUCTION-FUEL	20,294	17,355	(2,939)	81,325	67,077	(14,248)	
OPERATION EXPENSE-OTHER POWER SUPPLY	8,958	9,910	952	36,384	41,436	5,052	[A] Pages 8, 14-15, 22
OPERATION EXPENSE-TRANSMISSION	985	857	(128)	3,818	3,268	(552)	
OPERATION EXPENSE-RTO/ISO	200	190	(10)	899	848	(51)	[B] & [C] Page 23
OPERATION EXPENSE-CUSTOMER ACCOUNTS	63	0	(63)	63	0	(63)	
CONSUMER SERVICE & INFORMATIONAL EXPENSE	70	26	(44)	202	131	(71)	
OPERATION EXPENSE-SALES	5	0	(5)	15	6	(9)	
OPERATION EXPENSE-ADMINISTRATIVE & GENERAL	2,031	1,879	(152)	8,630	8,601	(29)	
TOTAL OPERATION EXPENSE	36,929	34,204	(2,725)	148,271	137,172	(11,099)	
MAINTENANCE EXPENSE-PRODUCTION	2,618	2,986	368	11,821	15,121	3,300	[B] & [C] Page 25
MAINTENANCE EXPENSE-TRANSMISSION	315	348	33	1,261	1,403	142	
MAINTENANCE EXPENSE-GENERAL PLANT	10	7	(3)	87	47	(40)	
TOTAL MAINTENANCE EXPENSE	2,943	3,341	398	13,169	16,571	3,402	
DEPRECIATION & AMORTIZATION EXPENSE	3,428	3,404	(24)	13,716	13,580	(136)	
TAXES	2	3	1	2	4	2	
INTEREST ON LONG-TERM DEBT	3,894	3,707	13	14,788	14,964	176	
INTEREST CHARGED TO CONSTRUCTION-CREDIT	(28)	(62)	(34)	(135)	(263)	(128)	
OTHER INTEREST EXPENSE	0	0	0	0	0	0	
OTHER DEDUCTIONS	30	42	12	170	83	(87)	
TOTAL COST OF ELECTRIC SERVICE	46,998	44,639	(2,359)	189,981	182,111	(7,870)	
OPERATING MARGINS	1,221	17	1,204	9,457	(2,150)	11,607	
INTEREST INCOME	162	5	157	665	23	642	[B] & [C] Page 28
ALLOWANCE FOR FUNDS USED DURING CONST	0	0	0	0	0	0	
OTHER NON-OPERATING INCOME - NET	0	0	0	0	0	0	
OTHER CAPITAL CREDITS & PAT DIVIDENDS	0	0	0	783	45	738	[B] & [C] Page 27
EXTRAORDINARY ITEMS	0	0	0	0	0	0	
NET PATRONAGE CAPITAL OR MARGINS	1,383	22	1,361	10,905	(2,082)	12,987	

YTD Explanations: [A] Gross Margin, [B] 10% of prior year line item and \$250,000 or [C] 10% of prior year margins and \$500,000.

Variance Analysis Summary

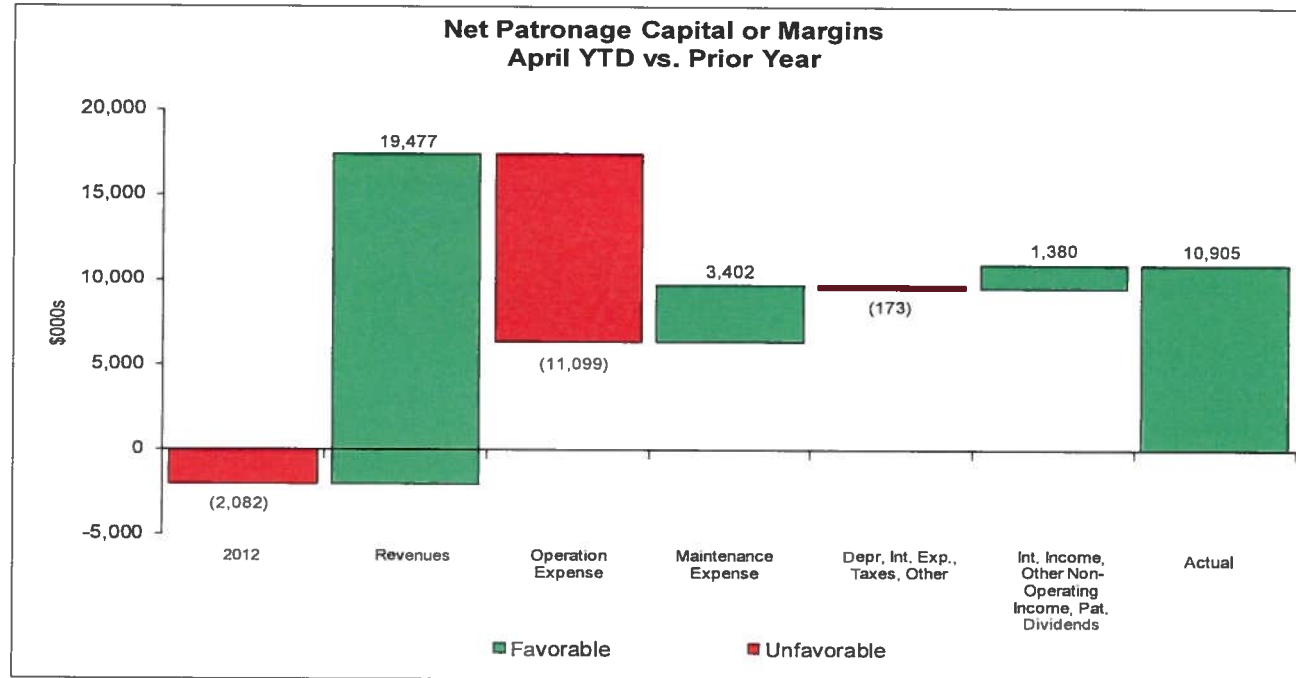


Financial Commentary

Year-to-Date

- April YTD 2013 Margins were \$8,157 favorable to budget.
 - Revenues were favorable \$7,846 primarily due to OSS volumes, as well as the \$1.4m retroactive rate adjustment per the January 29th PSC order (see pages 7, 9-13, 16-21).
 - Operation Expense was unfavorable \$1,426 driven by purchased power, while somewhat offset by fuel, reagent and non-variable operations (see page 8 & 22).
 - Maintenance Expense was favorable \$1,830 primarily due to timing of maintenance expenses at the plants (see pages 25 & 26)
 - Depreciation/Interest Expense/Other was favorable \$402 primarily due to lower interest on long-term debt as a result of the 2012 refinancing.
 - Interest Income/Patronage was unfavorable \$495 due to timing of the allocation of patronage capital from CFC (see page 27)

Variance Analysis Summary



Financial Commentary

Year-to-Date

- April YTD 2013 margins were \$12,987 favorable compared to 2012.
 - Revenues were favorable \$19,477 largely due to volumes, most of which is from OSS (see pages 7, 9-13, 16-21).
 - Operation Expense was unfavorable \$11,099 – driven by higher fuel cost \$16,411, mostly due to volume, partially offset by lower purchase power \$6,299.
 - Maintenance Expense was favorable \$3,402 due to higher outage expenses in 2012.(see page 25)
 - Depreciation, Interest Expense, Taxes & Other combined were unfavorable \$173 due to slightly higher depreciation expense, as well as less interest capitalized in 2013.
 - Interest Income/Patronage was favorable \$1,380 due to patronage capital as a result of the 2012 refinancing and the interest on the CFC capital term certificates (see pages 27-28)



**Revenue
YTD April**

	Actual 2013	Budget 2013	Variance	Actual 2012	2012 Variance
MWh Sales					
Rural	808,861	792,772	16,089	722,719	86,142
Large Industrial	316,553	310,435	6,118	323,362	(6,809)
Smelter	2,449,768	2,427,264	22,504	2,454,879	(5,111)
Off-System/Other	684,609	425,714	258,895	383,834	300,775
Total	4,259,791	3,956,185	303,606	3,884,794	374,997

Revenue - \$/MWh					
Rural	52.94	52.58	0.36	49.48	3.46
Large Industrial	44.66	44.47	0.19	42.72	1.94
Smelter	48.91	50.06	(1.15)	48.39	0.52
Off-System/Other	31.15	31.38	(0.23)	26.23	4.92
Total	46.50	48.12	(1.62)	45.93	0.57

Revenue - Thousands of \$					
Rural ⁽¹⁾	42,821	41,683	1,138	35,762	7,059
Large Industrial	14,137	13,804	333	13,814	323
Smelter	119,818	121,509	(1,691)	118,791	1,027
Off-System/Other	21,324	13,361	7,963	10,067	11,257
Total	198,100	190,357	7,743	178,434	19,666

⁽¹⁾ Includes \$1.3m of the \$1.4m retroactive adjustment from January 29th order by the PSC.

**Revenue Price / Volume Analysis
April 2013**

	Price / Volume		
	Price	Volume	Total
Rural	292	846	1,138
Large Industrial	61	272	333
Smelter	(2,818)	1,127	(1,691)
Off-System/Other	(162)	8,125	7,963
	(2,627)	10,370	7,743



Variable Operations Cost YTD April

	Actual 2013	Budget 2013	Variance	Actual 2012	2012 Variance
Variable Operations (VO) Cost - \$/MWh					
Rural	25.72	26.90	1.18	25.38	(0.34)
Large Industrial	25.73	26.90	1.17	25.46	(0.27)
Smelter	26.67	27.68	1.01	26.34	(0.33)
Off-System/Other	26.64	27.38	0.74	25.71	(0.93)
Total	26.41	27.43	1.02	26.03	(0.38)

VO Cost - Thousands of \$					
Rural	20,800	21,324	524	18,344	(2,456)
Large Industrial	8,146	8,350	204	8,234	88
Smelter	65,335	67,198	1,863	64,672	(663)
Off-System/Other	18,236	11,656	(6,580)	9,869	(8,367)
Total	112,517	108,529	(3,988)	101,119	(11,398)

	YTD April 2013 Variable Operations Expense			Price Variance Volume Variance		
	Actual	Budget	Fav/(UnFav)	Fav/(UnFav)	Fav/(UnFav)	Fav/(UnFav)
Reagent	9,361	10,097	736	448	288	736
Fuel	90,433	93,267	2,834	2,276	558	2,834
Purchased Power	13,776	6,033	(7,743)	291	(8,034)	(7,743)
Non-FAC PPA (Non-Smelter)	(1,053)	(868)	185	167	18	185
	112,517	108,529	(3,988)	3,182	(7,170)	(3,988)



**Gross Margin
YTD April**

	Actual 2013	Budget 2013	Variance	Actual 2012	2012 Variance
Gross Margin - \$/MWh					
Rural	27.22	25.68	1.54	24.10	3.12
Large Industrial	18.93	17.57	1.36	17.26	1.67
Smelter	22.24	22.38	(0.14)	22.05	0.19
Off-System/Other	4.51	4.00	0.51	0.52	3.99
Total	20.09	20.69	(0.60)	19.90	0.19

Gross Margin - Thousands of \$					
Rural	22,021	20,358	1,663	17,418	4,603
Large Industrial	5,991	5,454	537	5,580	411
Smelter	54,483	54,311	172	54,119	364
Off-System/Other	3,088	1,705	1,383	198	2,890
Total	85,583	81,828	3,755	77,315	8,268

**Gross Margin
Price / Volume Analysis
April 2013**

	Price / Volume		Total
	Price	Volume	
Rural	1,249	414	1,663
Large Industrial	430	107	537
Smelter	(332)	504	172
Off-System/Other	346	1,037	1,383
	1,693	2,062	3,755



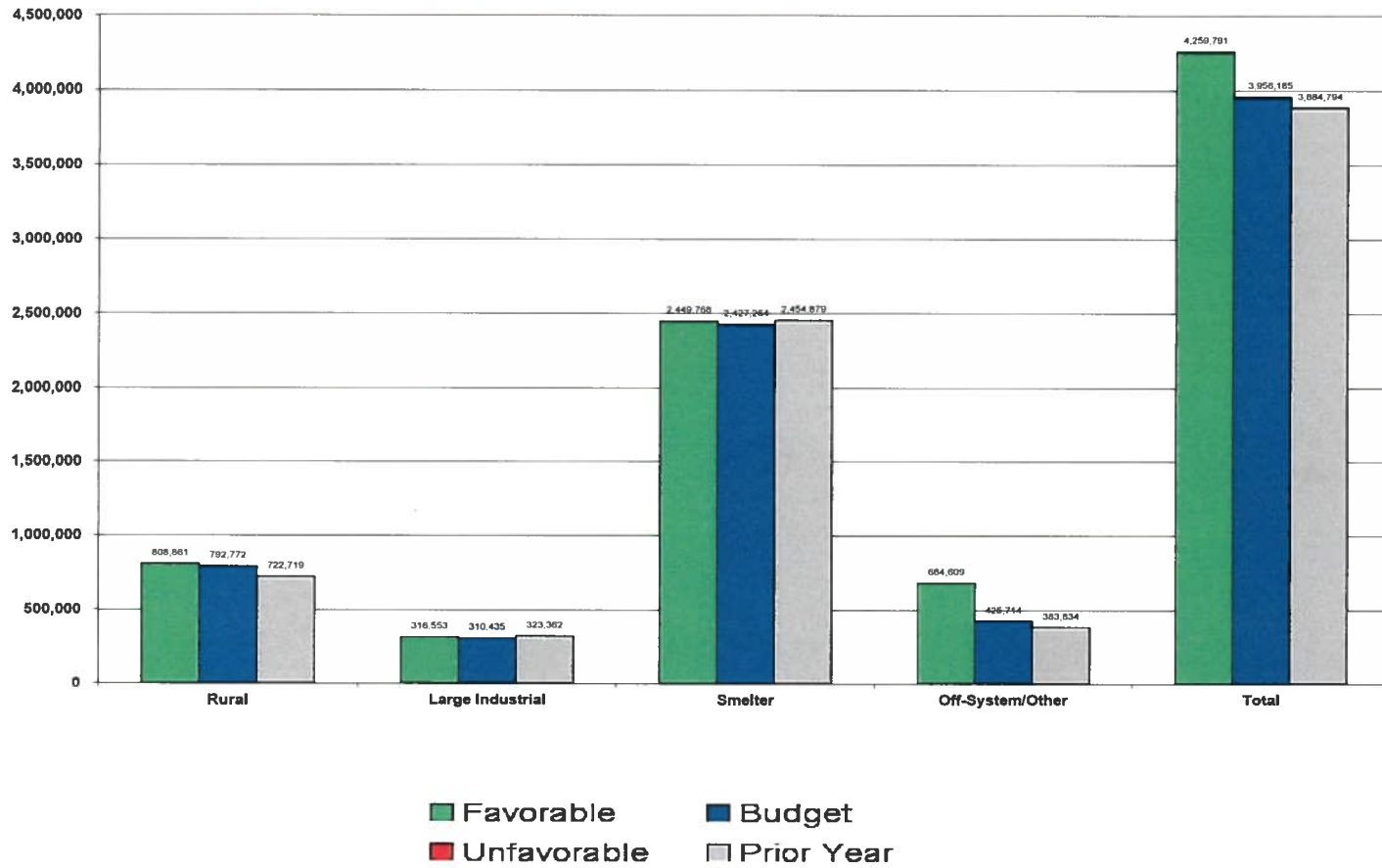
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Member Rate Stability Mechanism YTD April

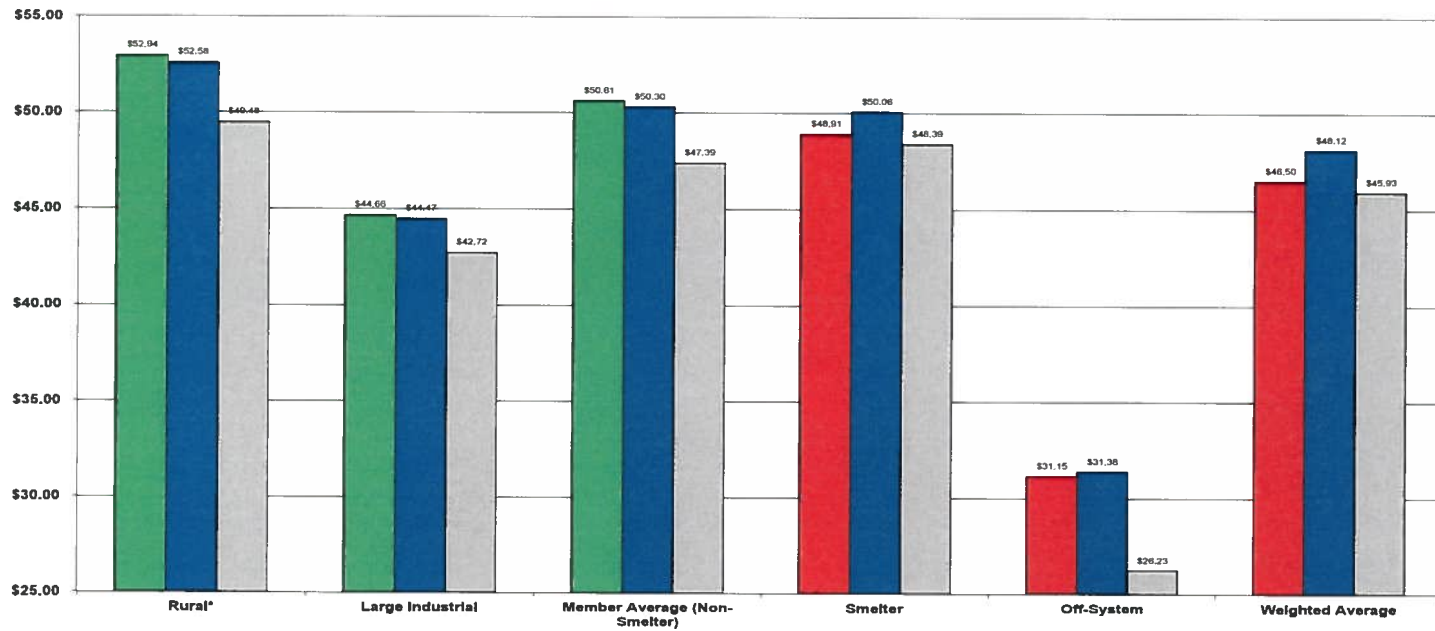
	<u>Actual</u> <u>2013</u>	<u>Budget</u> <u>2013</u>	<u>2013</u> <u>Variance</u>	<u>Actual</u> <u>2012</u>	<u>2012</u> <u>Variance</u>		<u>Actual</u> <u>2013</u>	<u>Budget</u> <u>2013</u>	<u>2013</u> <u>Variance</u>	<u>Actual</u> <u>2012</u>	<u>2012</u> <u>Variance</u>
MRSM - \$/MWh						Net Revenue - \$/MWh					
Rural	(6.79)	(7.21)	0.42	(6.53)	(0.26)	Rural	46.15	45.37	0.78	42.95	3.20
Large Industrial	(6.46)	(6.67)	0.21	(6.53)	0.07	Large Industrial	38.20	37.80	0.40	36.19	2.01
Total	(6.69)	(7.06)	0.37	(6.53)	(0.16)	Total	43.92	43.24	0.68	40.86	3.06
MRSM - Thousands of \$						Net Revenue - Thousands of \$					
Rural	(5,490)	(5,716)	226	(4,718)	(772)	Rural	37,331	35,967	1,364	31,044	6,287
Large Industrial	(2,044)	(2,070)	26	(2,108)	64	Large Industrial	12,093	11,734	359	11,706	387
Total	(7,534)	(7,786)	252	(6,826)	(708)	Total	49,424	47,701	1,723	42,750	6,674

<u>Cumulative-to-Date</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Original Deposit	\$ 157,000		
Interest Earnings	3,287		
Withdrawals	(86,936)		
Ending Balance 04/30/2013	\$ 73,351	\$ 72,977	\$ 374
<u>Year-to-Date</u>			
Beg. Balance 1/1/2013	\$ 80,643		
Interest Earnings	84		
Withdrawals	(7,376)		
Ending Balance 04/30/2013	\$ 73,351	\$ 72,977	\$ 374

MWH Sales YTD – April



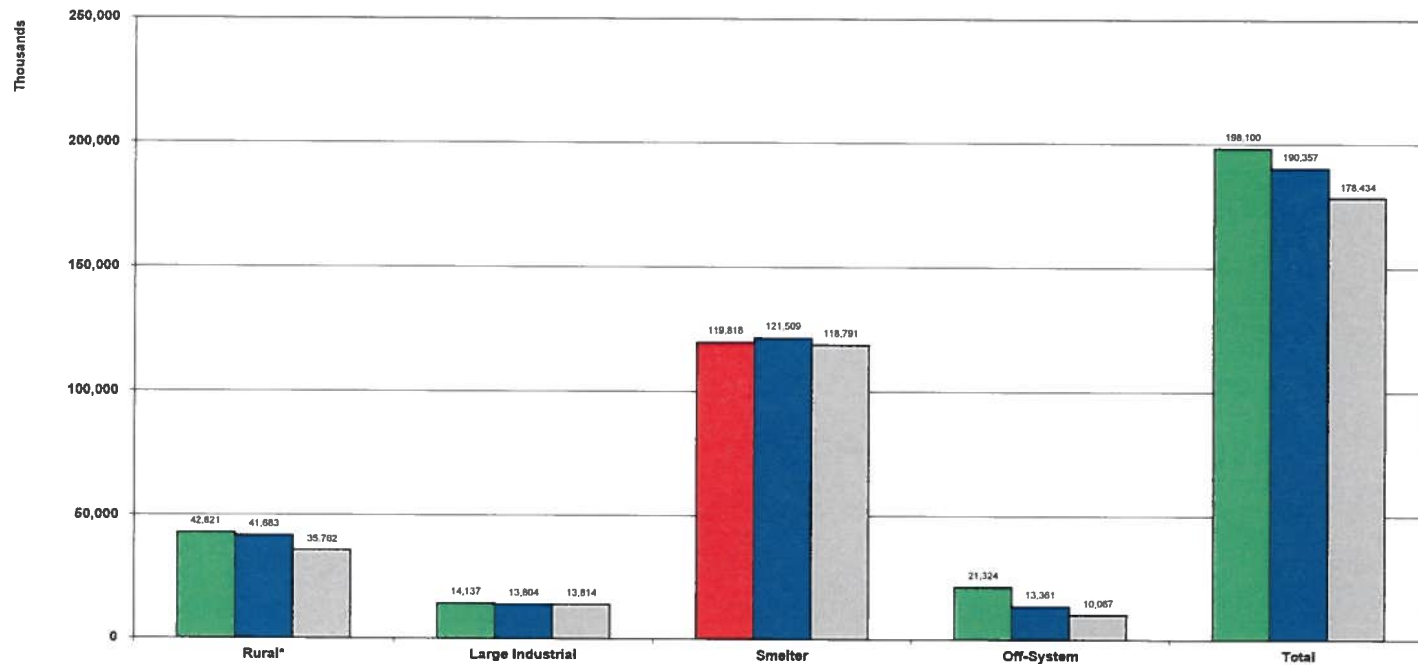
Revenue - \$/MWh Sold YTD – April



*2013 Rural includes \$1.3m of the \$1.4m retroactive adjustment from January 29th order by the PSC

■ Favorable ■ Budget
■ Unfavorable ■ Prior Year

Revenue YTD - April

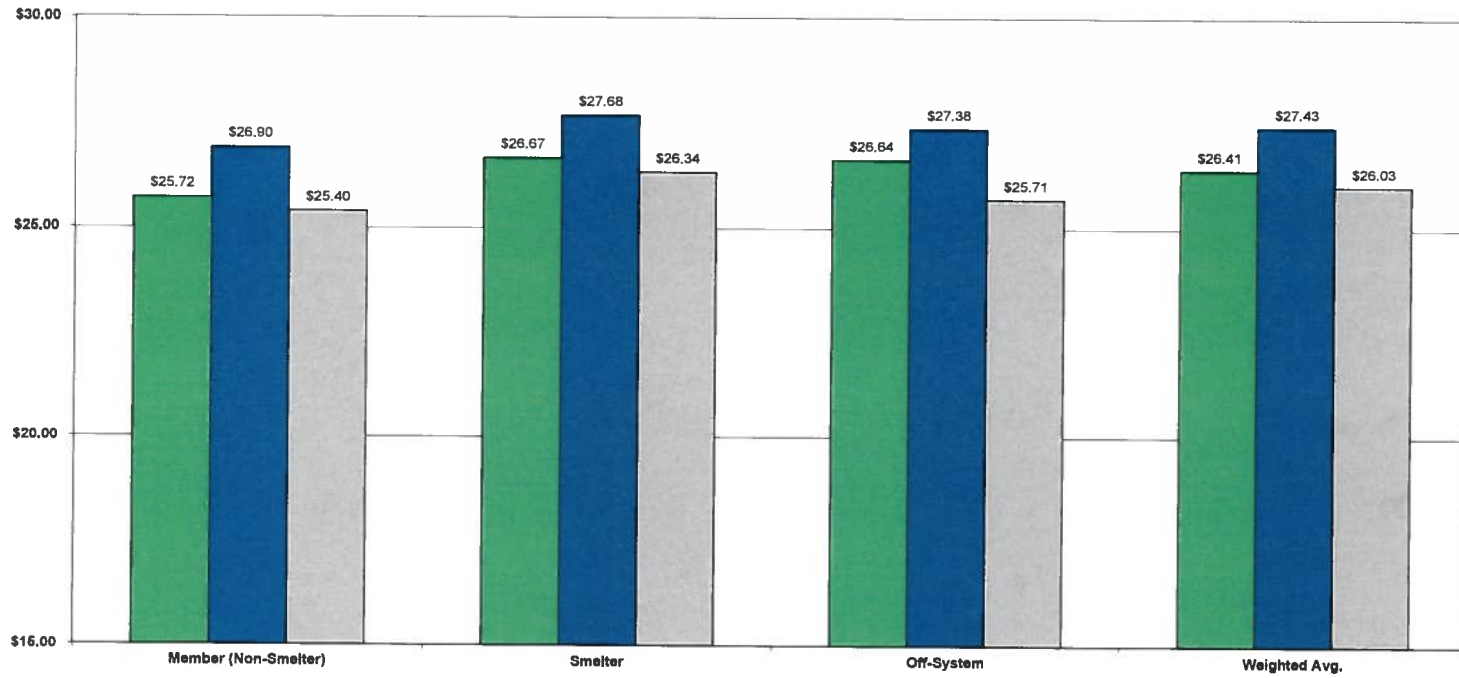


*2013 Rural includes \$1.3m of the \$1.4m retroactive adjustment from January 29th order from the PSC

■ Favorable ■ Budget
■ Unfavorable ■ Prior Year

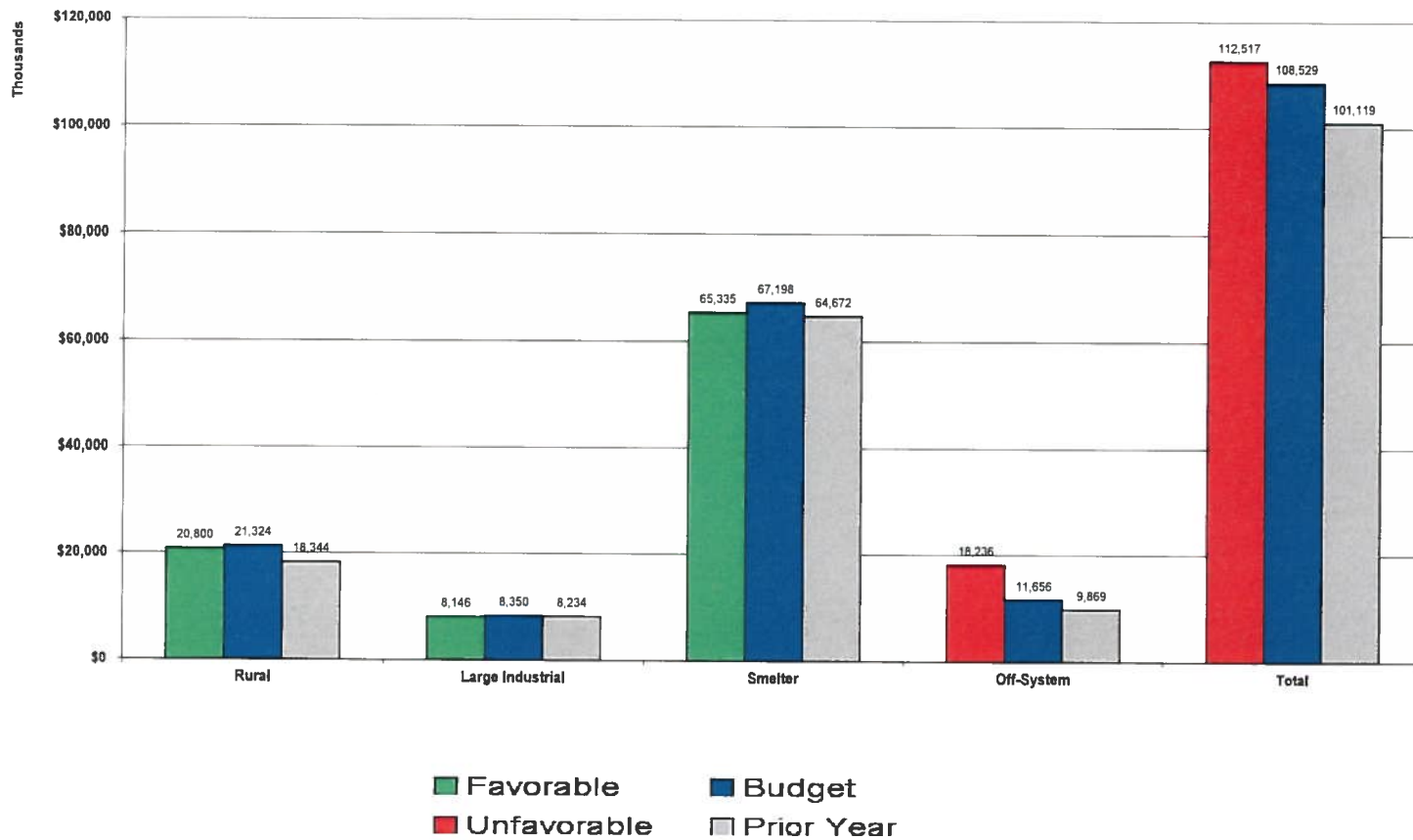


Variable Operations - \$/MWh Sold YTD – April

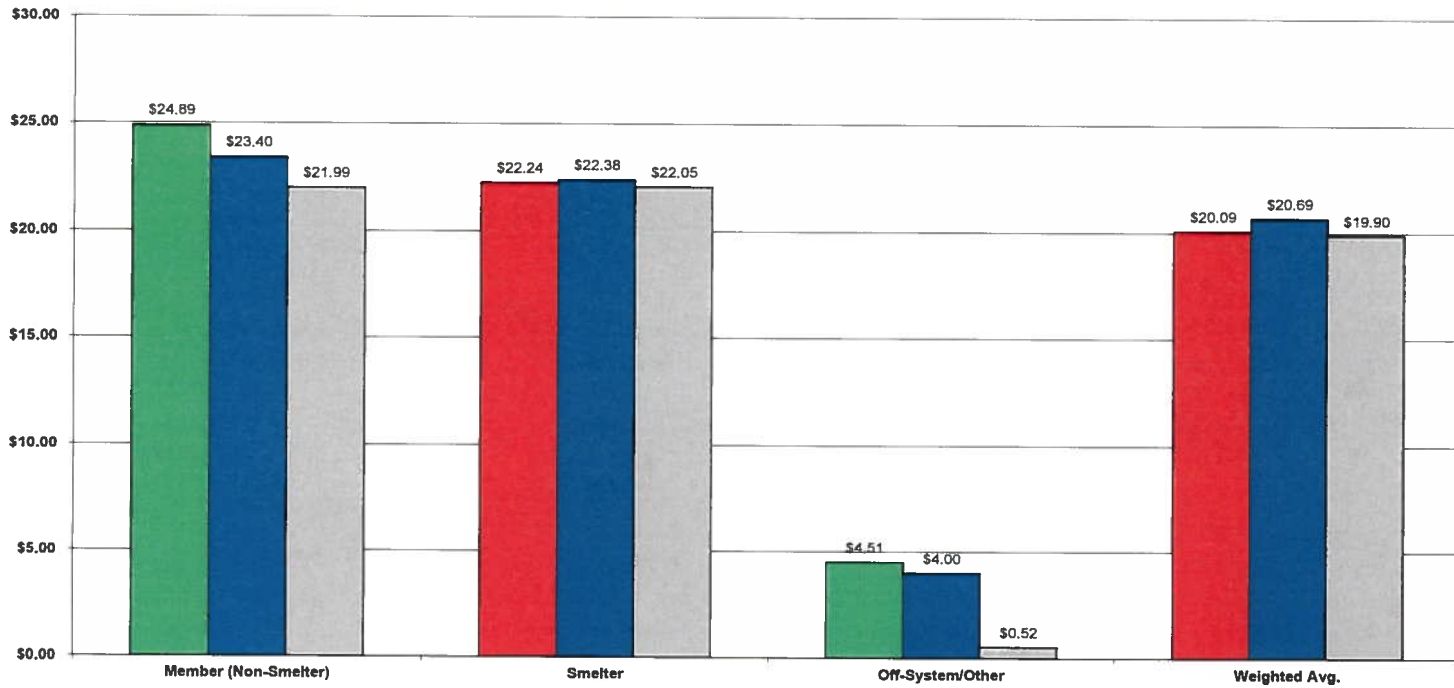


■ Favorable ■ Budget
■ Unfavorable ■ Prior Year

Variable Operations Cost YTD – April



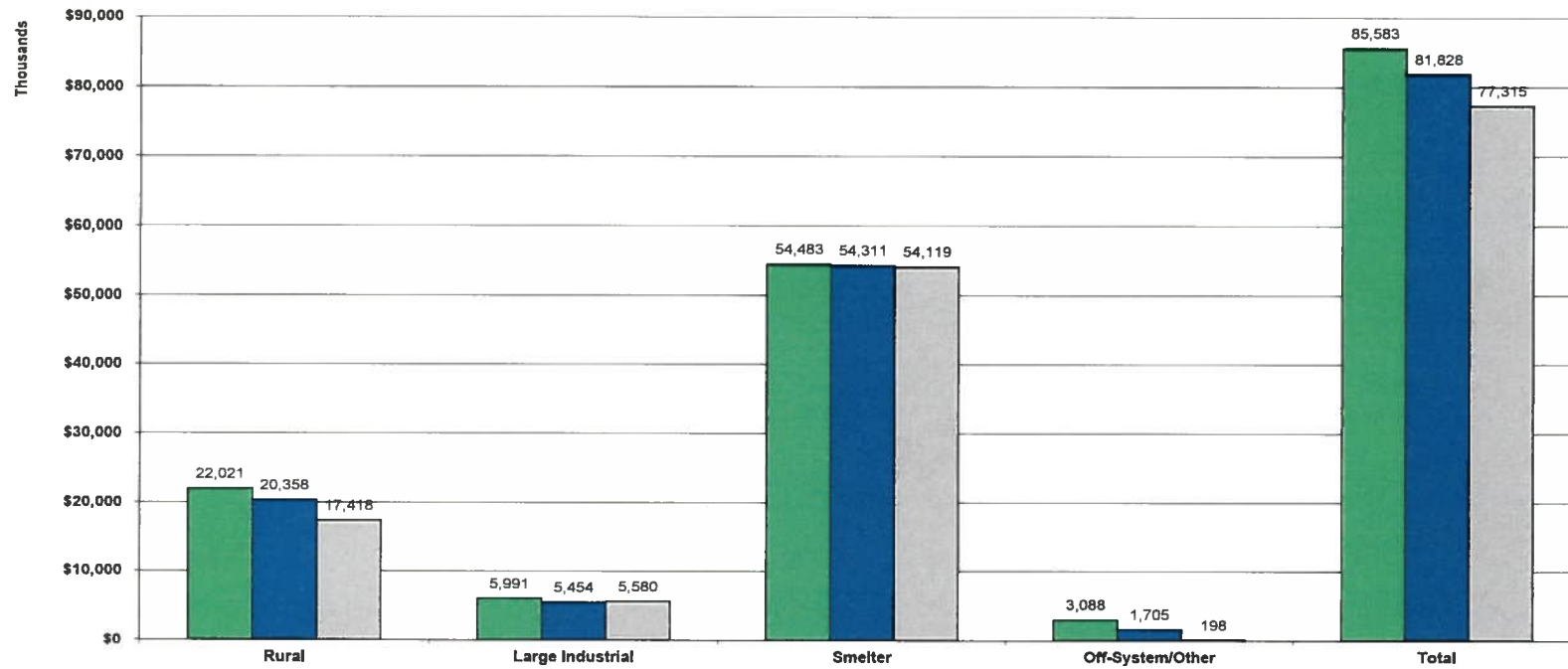
Gross Margin - \$/MWh YTD – April



■ Favorable ■ Budget
■ Unfavorable ■ Prior Year

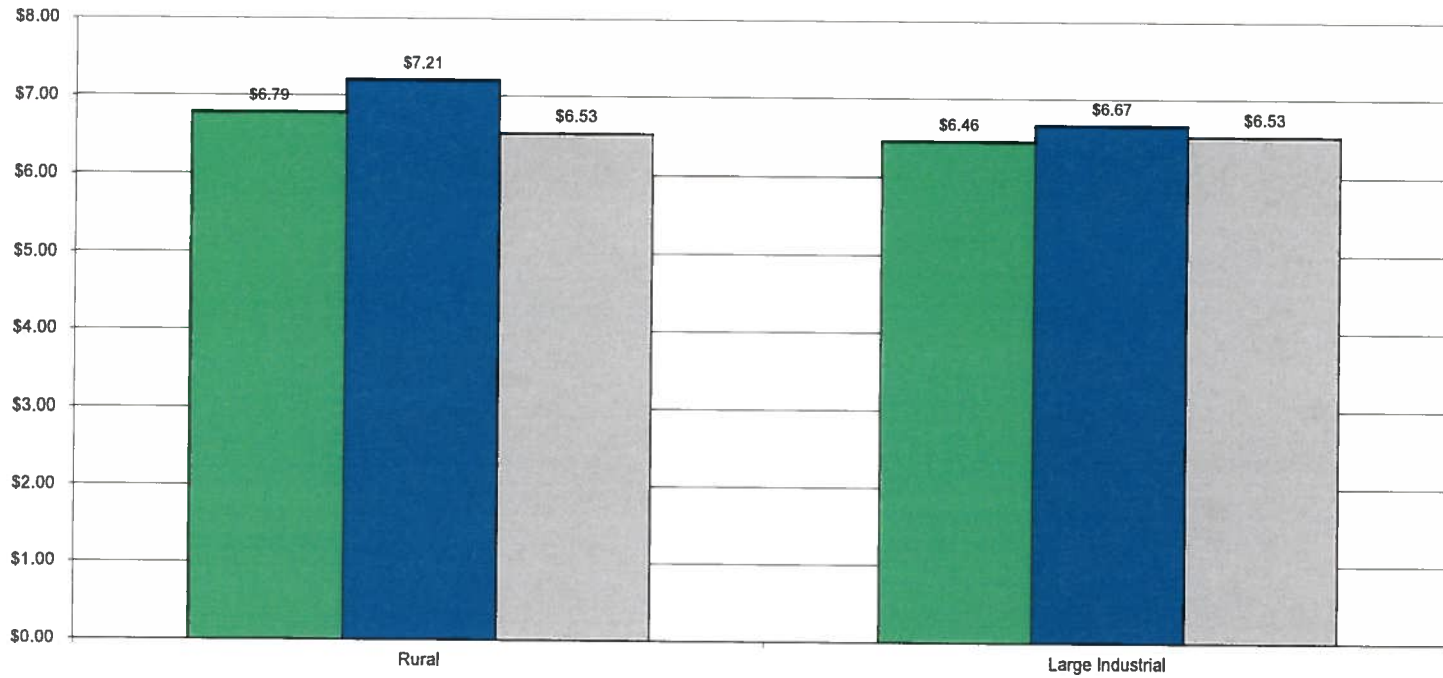


Gross Margin YTD – April



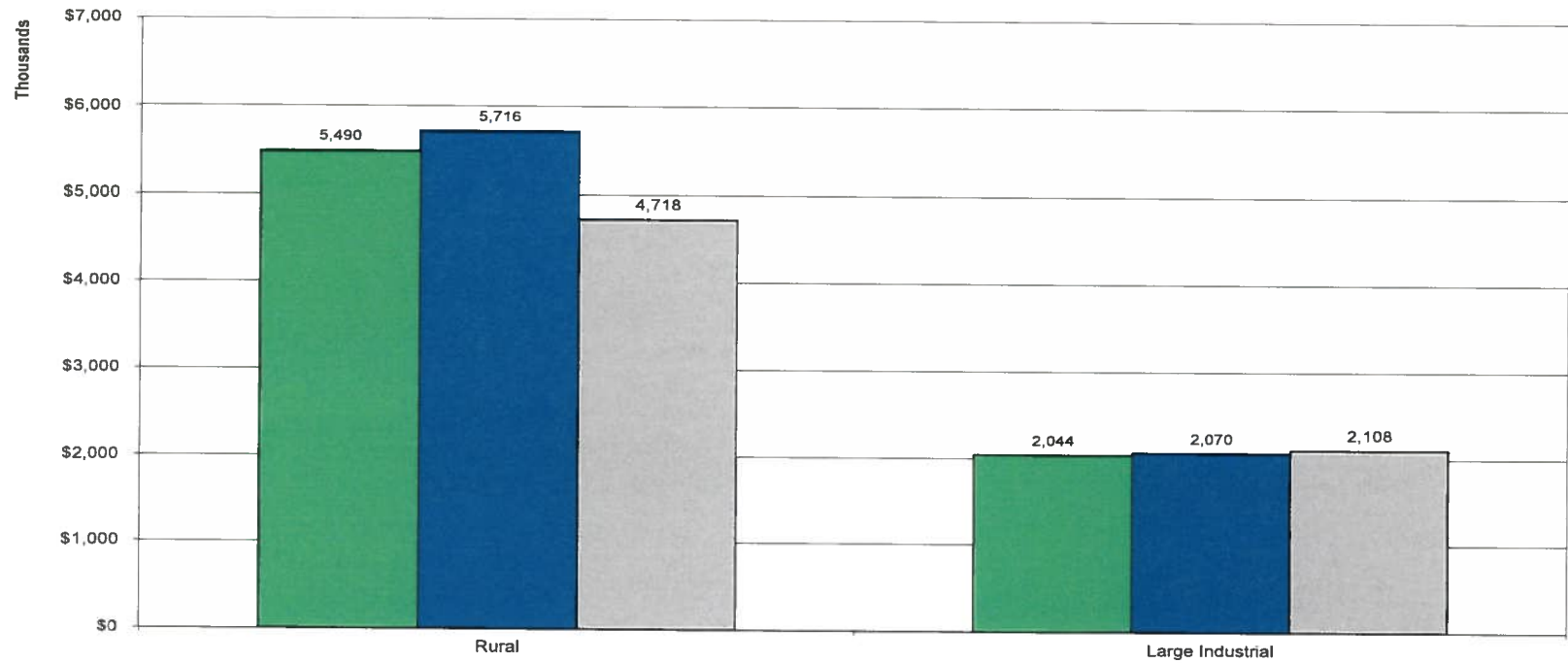
■ Favorable ■ Budget
■ Unfavorable ■ Prior Year

MRSM - \$/MWh YTD - April



■ Favorable ■ Budget
■ Unfavorable ■ Prior Year

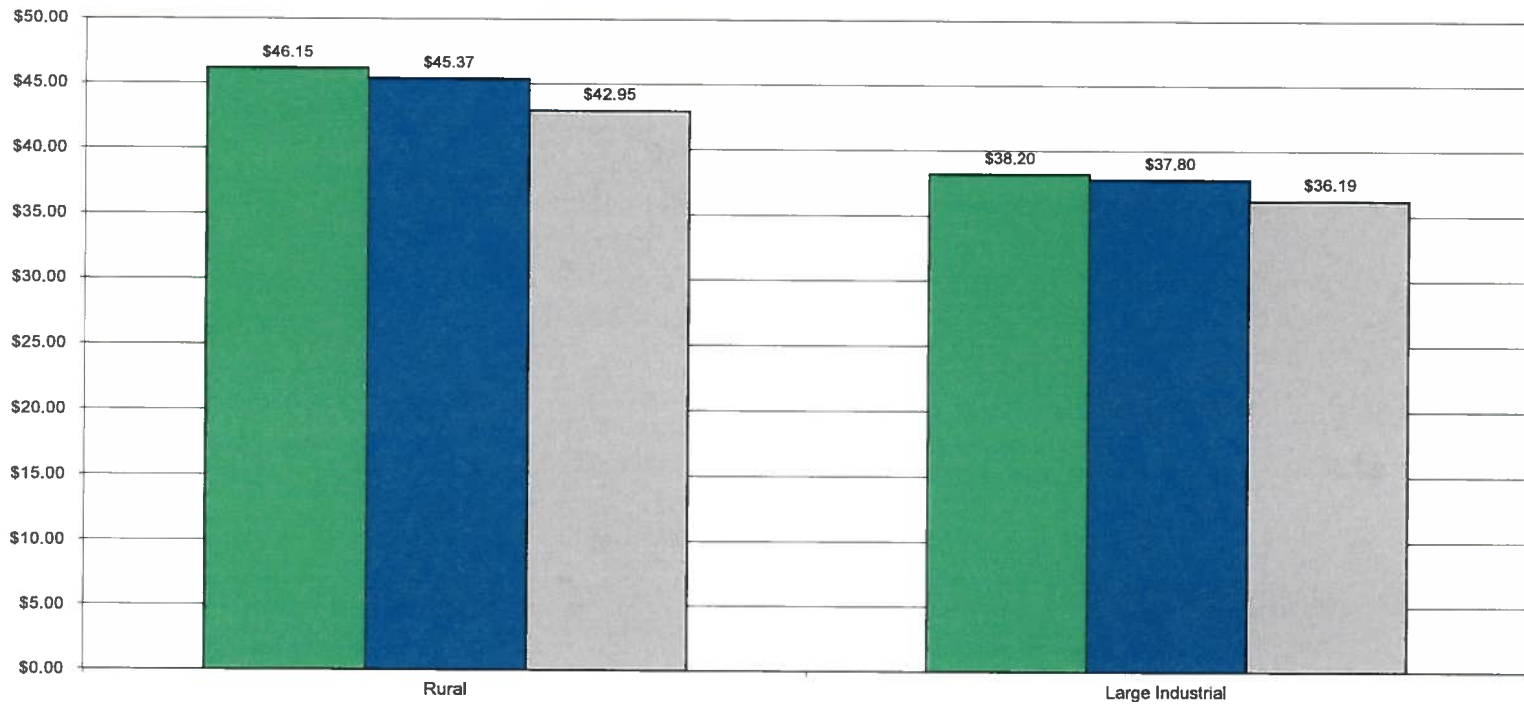
MRSM YTD - April



■ Favorable ■ Budget
■ Unfavorable ■ Prior Year

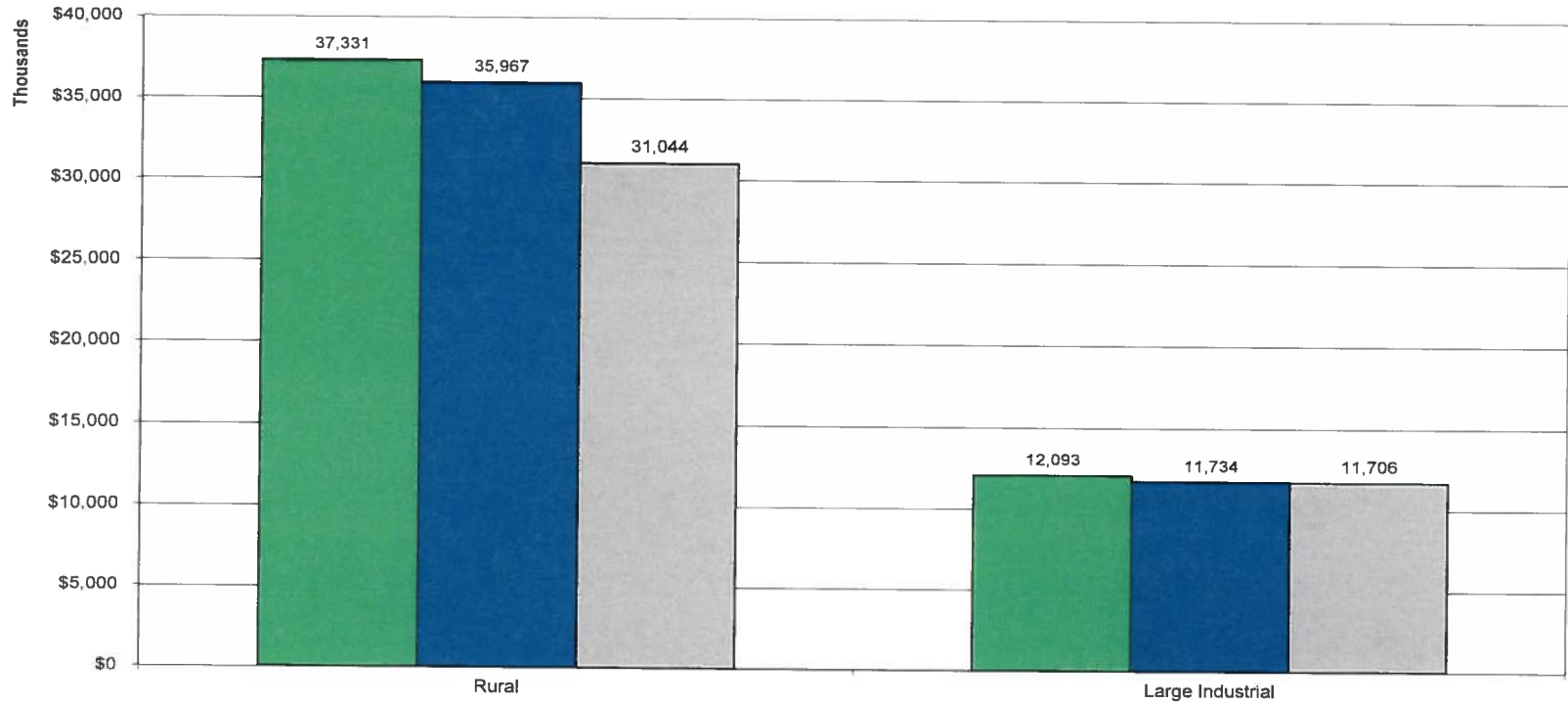


Net Revenue Less MRSM - \$/MWh YTD – April



■ Favorable ■ Budget
■ Unfavorable ■ Prior Year

Net Revenue Less MRSM YTD - April



■ Favorable ■ Budget
■ Unfavorable ■ Prior Year



Non-Variable Production and Other Power Supply – Operations

	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
April YTD	22,127	24,600	2,473	23,201	1,074

Current Year Variances

Power Supply transmission reservation	239
Station-Two Plant O&M	1,496
Plant Operations expense (WL, GN, CL)	829
Other (Depreciation, Property Taxes/Insurance,)	(91)
Non-Variable Production and Other Power Supply - Operations	2,473

Prior-Year Variances

Labor	246
Plant Operations expense non-labor (WL, GN, CL)	241
Station-Two expenses (outage in 2012)	598
Other (Depreciation, Property Taxes/Insurance)	(11)
Non-Variable Production and Other Power Supply - Operations	1,074



Operation Expense – Transmission

	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
April YTD	3,818	3,065	(753)	3,266	(552)

The unfavorable variance compared to budget and prior year is driven by \$524k in MISO transmission expenses (MISO Transmission Expansion Projects and Multi-value Projects). A portion of these expenses is budgeted in Other Power Supply.



Operation Expense – Administrative & General

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
April YTD	8,630	9,452	822

The favorable variance compared to budget is driven by a \$296 favorability in Information Systems mainly due to timing of the contract expenses (HP, Viziya, Pinnacle) and \$140 in Demand Side Management programs in Member Relations, as well as a \$270 favorability in Energy Services, primarily due to timing of IRP expenses.



Maintenance Expense – Production

	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
April YTD	11,821	13,361	1,540	15,121	3,300

The favorable variance compared to budget is due to timing of maintenance expenses at Green and Wilson, while the prior-year variance is driven by 2012 outage expenses at Wilson.



Maintenance Expense – Transmission

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
April YTD	1,261	1,565	304

The favorable variance is driven by timing of vehicle and line maintenance at ET&S.



Other Capital Credits & Pat Dividends

	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
April YTD	783	1,263	(480)	45	738

The unfavorable variance compared to budget is driven by timing of patronage capital associated with the CFC loan, now expected in September. The favorable variance compared to prior year is due to patronage capital associated with the July 2012 refinancing.



Interest Income

April YTD

	2012	Variance
<u>Actual</u>	<u>Actual</u>	<u>Fav/(Unfav)</u>
665	23	642

Interest income was favorable compared to prior year due to interest on CFC capital term certificates.



North Star – YTD April

	2013			2012	
	Actual	Budget	Fav/(UnFav) Variance	Actual	Fav/(UnFav) Variance
Total Cost of Electric Service	189,981	190,787	806	182,111	(7,870)
Other Operating Revenues & Income	(1,338)	(1,235)	103	(1,527)	(189)
Smelter Avoidable Base Charge	0	0	0	(234)	(234)
Off-System Sales/Other	(21,324)	(13,361)	7,963	(10,067)	11,257
Interest Income	(665)	(680)	(15)	(23)	642
Other Non-Operating Income	0	0	0	0	0
Other Capital Credits & Pat. Dividends	(783)	(1,263)	(480)	(45)	738
	165,871	174,248	8,377	170,215	4,344

Member MWh	3,575,182	3,530,471	44,711	3,500,960	74,222
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North Star - \$/kWh	0.046395	0.049355	0.002960	0.048619	0.002224
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TIER

	<u>Actual</u>	<u>Budget</u>	<u>Fav/(Unfav)</u>
Interest on Long-Term Debt	14,788	15,062	274
Net Margins	10,905	2,748	8,157
TIER - YTD April	1.74	1.18	0.56
TIER (12 months ending 4/30)	1.54	1.29	0.25

Notes:

TIER = (Net Margins + Interest on Long-Term Debt) divided by Interest on Long-Term Debt



Capital Expenditures*

	Year-to-Date		
	Actual	Budget	Fav/(UnFav)
IS	138	860	722
Generation	6,874	14,823	7,949
Transmission	1,716	2,867	1,151
Other	72	1,494	1,422
ECP	0	0	0
Total	8,800	20,044	11,244

Explanation:

IS was favorable \$722 primarily due to timing of the Corporate Analytics, the Hyperion upgrade, and the Members' Replacement of Hardware/Software projects.

Generation was favorable by \$7,949. Station-Two was favorable \$5,141 largely due to timing of the H2 outage projects. Coleman Station was favorable \$1,861 largely due to timing of outage projects. Green Station was favorable \$699 primarily due to Office Building Hot Water Heater, Heater Exchangers, and other Miscellaneous projects. Wilson Station was favorable \$248 largely due to timing of the No. 1 Boiler Feed Pump project.

Transmission was favorable \$1,151 primarily due to timing of White Oak-50 MVA Substation project.

Other was favorable \$1,422 largely due to timing of vehicle projects, PCI Software project, and the timing of CHN Analyzer project.

* Gross of the City's share of Station Two. Includes capitalized interest.



Cash & Temporary Investments

	<u>Actual</u>	<u>Budget</u>	<u>Fav/(Unfav)</u>	<u>2012</u> <u>Actual</u>	<u>Fav/(Unfav)</u>
April 30th	124,609	113,786	10,823	40,768	83,841

The April 30, 2013 cash balance compared to budget is favorable due to the beginning balance favorability of \$8.8m, and by changes in working capital.

The favorable variance to prior-year is driven by the July 2012 refinancing.

<u>Lines of Credit</u> <u>As of April 30th</u>	
Original Amount	\$100,000
Letters of Credit Outstanding	(8,375)
Advances Outstanding	0
Available Lines of Credit	\$ 91,625

BIG RIVERS ELECTRIC CORPORATION

**APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199**

First Updated Response to
Commission Staff's Initial Request for Information
dated June 10, 2013

July 12, 2013
First Update July 24, 2013

1 Item 43) *As the historical data becomes available, provide detailed*
2 *monthly income statements for each forecasted month of the base period,*
3 *including the month in which the Commission hears this case.*

4

5 Response) Big Rivers' detailed monthly income statement for the month ended
6 June 30, 2013 (the third forecasted month of the base period) is attached hereto.
7 Big Rivers will provide detailed monthly income statements for the remaining
8 forecasted months included in the base period, including the month in which the
9 Commission hears this case, as the historical data becomes available.

10

11

12 Witness) Billie J. Richert

13

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE
FINANCIAL AND OPERATING REPORT
ELECTRIC POWER SUPPLY
PART A - FINANCIAL

BORROWER DESIGNATION
KY0062

PERIOD ENDED
Jun-13

INSTRUCTIONS - See help in the online application.

SECTION A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	273,711,665.64	297,358,423.16	283,174,669.00	48,965,977.27
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	2,408,851.93	1,958,086.20	1,850,502.00	329,310.13
4. Total Operation Revenues & Patronage Capital (1 thru 3)	276,120,517.57	299,316,509.36	285,025,171.00	49,295,287.40
5. Operating Expense - Production - Excluding Fuel	23,836,782.58	25,476,825.59	27,845,345.00	4,366,026.71
6. Operating Expense - Production - Fuel	106,890,249.31	120,999,040.63	124,187,837.00	19,221,614.22
7. Operating Expense - Other Power Supply	58,175,478.03	56,924,573.31	45,997,498.00	9,533,273.56
8. Operating Expense - Transmission	4,978,763.73	5,682,627.89	4,626,424.00	1,019,311.62
9. Operating Expense - RTO/ISO	1,225,116.01	1,308,818.25	1,139,132.00	217,069.65
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	131,684.74	0.00	68,718.50
12. Operating Expense - Customer Service & Information	199,218.28	356,465.30	772,318.00	59,373.72
13. Operating Expense - Sales	20,592.73	24,531.25	71,860.00	4,906.25
14. Operating Expense - Administrative & General	13,792,896.66	12,510,161.29	14,953,742.00	1,866,572.44
15. Total Operation Expense (5 thru 14)	209,119,097.33	223,414,728.25	219,594,156.00	36,356,866.67
16. Maintenance Expense - Production	20,425,790.03	18,411,024.67	23,671,624.00	3,253,154.63
17. Maintenance Expense - Transmission	2,334,012.70	2,023,539.89	2,531,735.00	367,194.83
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	93,198.85	129,810.25	108,049.00	18,329.36
21. Total Maintenance Expense (16 thru 20)	22,853,001.58	20,564,374.81	26,311,408.00	3,638,678.82
22. Depreciation and Amortization Expense	20,363,628.74	20,573,995.95	20,725,351.00	3,429,893.76
23. Taxes	4,060.88	2,461.92	885.00	0.00
24. Interest on Long-Term Debt	22,484,475.66	22,085,835.86	22,808,082.00	3,501,886.56
25. Interest Charged to Construction - Credit	<385,412.00>	<182,534.00>	<177,180.00>	<22,591.00>
26. Other Interest Expense	162.17	80.06	0.00	15.63
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	122,645.12	937,155.57	286,549.00	23,446.74
29. Total Cost Of Electric Service (15 + 21 thru 28)	274,561,659.48	287,396,098.42	289,549,251.00	46,928,197.18
30. Operating Margins (4 less 29)	1,558,858.09	11,920,410.94	<4,524,080.00>	2,367,090.22
31. Interest Income	31,637.55	988,135.47	1,016,816.00	157,780.66
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	0.00	0.00	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	44,874.64	783,330.28	1,263,325.00	0.00
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	1,635,370.28	13,691,876.69	<2,243,939.00>	2,524,870.88

RUS Financial and Operating Report Electric Power Supply Part A - Financial

Revision Date 2010

Case No. 2013-00199
Attachment for *First Updated* Response to PSC 1-43

Witness: Billie J. Richert

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

First Updated Response to
Commission Staff's Initial Request for Information
dated June 10, 2013

July 12, 2013
First Update July 24, 2013

1 Item 54) *Provide the following information concerning the costs for the*
2 *preparation of this case:*

3

4 a. *A detailed schedule of expenses incurred to date for the*
5 *following categories:*

6 *(1) Accounting;*

7 *(2) Engineering;*

8 *(3) Legal;*

9 *(4) Consultants; and*

10 *(5) Other Expenses (Identify separately).*

11 *For each category, the schedule should include the date of*
12 *each transaction; check number or other document*
13 *reference; the vendor, the hours worked; the rates per hour;*
14 *amount, a description of the services performed; and the*
15 *account number in which the expenditure was recorded.*
16 *Provide copies of contracts or other documentation that*
17 *support charges incurred in the preparation of this case.*
18 *Identify any costs incurred for this case that occurred*
19 *during the base period.*

20 b. *An itemized estimate of the total cost to be incurred for this*
21 *case. Expenses should be broken down into the same*
22 *categories as identified in (a) above, with an estimate of the*

BIG RIVERS ELECTRIC CORPORATION

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION
FOR A GENERAL ADJUSTMENT IN RATES
CASE NO. 2013-00199

First Updated Response to
Commission Staff's Initial Request for Information
dated June 10, 2013

July 12, 2013
First Update July 24, 2013

1 *hours to be worked and the rates per hour. Include a*
2 *detailed explanation of how the estimate was determined,*
3 *along with all supporting workpapers and calculations.*
4 c. *Provide monthly updates of the actual costs incurred in*
5 *conjunction with this rate case, reported in the manner*
6 *requested in (a) above. Updates will be due when Big*
7 *Rivers files its monthly financial statements with the*
8 *Commission, through the month of the public hearing.*

9

10 **Response)**

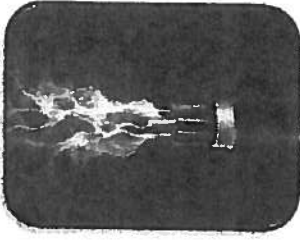
11 a. Copies of invoices supporting additional charges incurred are
12 attached hereto.
13 b. There is no change to the response provided on July 12, 2013.
14 c. Please see Big Rivers' response to Item 54a above. Also, Big
15 Rivers attaches hereto an updated schedule of rate case costs
16 incurred-to-date through June 30, 2013.

17

18 **Witness)** DeAnna M. Speed

19

20

CATALYST
CONSULTING LLC

3308 Haddon Road
Louisville, KY 40241
(502) 599-1739
johnwolfram@insightbb.com

INVOICE

Date: July 1, 2013	Invoice #: 153
Client: Big Rivers Electric Corporation 201 Third Street Henderson, Kentucky 42420	Project: 2013 Rate Case (2) - Alcan Case No. 2013-00199 For Services Provided in June 2013

#	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for Alcan rate case. Draft filing requirements; draft direct testimony for Big Rivers’ witnesses; prepare attachments for notices; review all draft testimony; conference calls, emails.	77.5 hours	\$175.00	\$ 13,562.50
2	Consulting Services	Irv Hurst – consulting support for review of draft Direct Testimony	5.75 hours	\$150.00	\$ 862.50
3	Expenses	See attachment			\$ 1,010.32
TOTAL					\$ 15,435.32

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.

RECEIVED
7/3/13
DW

BRBALSHT
18665000
0699
0999



CATALYST
CONSULTING LLC

3308 Haddon Road
Louisville, KY 40241
(502) 599-1739
johnwolfram@insightbb.com

EXPENSE DETAIL

JOHN WOLFRAM

**Big Rivers Electric Corporation
2013 Rate Case (2) – Alcan
Case No. 2013-00199
June 2013**



	Item	Description	Qty	Rate	Amt
1	Mileage	6/5 Mileage to Big Rivers & back	274	0.565	\$ 154.81
2	Meal	6/5 Lunch	1	9.00	9.00
3	Lodging	6/10-11 Hotel: Hampton Inn	1	154.22	154.22
4	Meal	6/10 Breakfast	1	4.44	4.44
5	Meal	6/10 Dinner	1	16.12	16.12
6	Meal	6/11 Breakfast	1	6.34	6.34
7	Mileage	6/10-11 Travel to BR, hotel, & back	305	0.57	172.33
8	Lodging	6/13-14 Hotel: Hampton Inn	1	154.22	154.22
9	Meal	6/13 Lunch	1	9.00	9.00
10	Meal	6/13 Dinner	1	13.03	13.03
11	Meal	6/14 Lunch	1	8.00	8.00
12	Meal	6/14 Dinner	1	6.76	6.76
13	Mileage	6/18-21 Mileage to BR, hotel, & back	172.5	0.565	97.46
14	Lodging	6/18-21 Hotel: Hampton Inn	0.5	338.46	169.23
15	Meal	6/18 Lunch	0.5	14.20	7.10
16	Meal	6/19 Lunch: Wolfram, Kamuf	0.5	14.50	7.25
17	Meal	6/19 Dinner	0.5	34.37	17.19
18	Meal	6/20 Lunch	0.5	7.65	3.83
		TOTAL			\$ 1,010.32

RECEIVED
7/3/13
DW

haynesboone

Invoice Number: 21025494
Client/Matter Number: 0050450.00003
July 11, 2013

Big Rivers Electric Corporation
P.O. Box 24
Henderson, KY 42419-0024

Tax Identification No. 75-1312888

Billing Attorney: John D. Penn

For Professional Services Through June 30, 2013

0050450.00003

Alcan Rate Case * 2013-00199

Professional Fees

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>
06/21/13	John D. Penn	Preliminary review of drafts of direct testimony and forward comments regarding the same.	0.70
Chargeable Hours			<hr/>
			0.70
Total Fees			\$455.00
Adjustment (Attorney blended rate variance)			(\$108.50)
Total Adjusted Fees			\$346.50

BRALSHT
18665000
0314
0999

Timekeeper Summary

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
John D. Penn	0.70	\$650.00	<u>\$455.00</u>
Total Professional Summary			\$455.00

Total Fees and Expenses Due

\$346.50

Total Amount Due

USD \$346.50

Big Rivers Electric Corporation
Invoice Number: 21025494
Client/Matter Number: 0050450.00003

July 11, 2013

Big Rivers Electric Corporation
P.O. Box 24
Henderson, KY 42419-0024

Client/Matter: 0050450.00003
Alcan Rate Case
Billing Attorney: John D. Penn

REMITTANCE PAGE
For Professional Services Through June 30, 2013

Remit to:
Haynes and Boone LLP
P.O. Box 841399
Dallas, TX 75284-1399

Total Fees	\$455.00
Adjustment (Attorney blended rate variance)	(\$108.50)
Total Adjusted Fees	\$346.50
Total Expenses	\$0.00
Total Fees and Expenses	\$346.50
Invoice Balance Due	USD \$346.50

WIRING INSTRUCTIONS FOR OPERATING ACCOUNT
Any bank wire fees are the responsibility of the sender.
BANK OF AMERICA 100 West 33rd Street New York, NY 10001
For Credit to the Account of HAYNES AND BOONE, LLP
ABA NO. 0260-0959-3 Operating Account No.: 018-08-3729-4

SWIFT Address: BOFAUS3N

For ACH Payments
For Credit to the Account of HAYNES AND BOONE, LLP
ABA NO. 111-000-025 Operating Account No.: 018-08-3729-4
Please Reference Invoice Number: 21025494
Responsible Attorney: John D. Penn
Client Matter Number: 0050450.00003

Big Rivers Electric Corp.
Attn: Billie Richert
VP Accounting, Rates & CFO
P. O. Box 24
Henderson, KY 42419-002

Invoice # 118,480
Our file # 17356 00504
Billing through 06/30/2013

Rate Case 2013

BALANCE SUMMARY

Balance Forward As Of Last Invoice	\$8,847.00
Payments Applied Since Last Invoice	-\$8,847.00
Total current charges	\$18,663.50
BALANCE DUE	<u>\$18,663.50</u>

FOR PROFESSIONAL SERVICES RENDERED

06 01 2013	JMM	Research for and drafting of proposed revisions to tariff and explanations of same.	6.30	220.00	1,386.00
06 03 2013	JMM	Conference with Kamuf and Wolfram re LICX tariff; review messages.	0.80	220.00	176.00
06 03 2013	TAK	Calls with John Wolfram, Jim Miller, Billie Richert; work on tariff issues; work on testimony.	2.20	170.00	374.00
06 04 2013	TAK	Work on testimony.	2.60	170.00	442.00
06 05 2013	TAK	Work on testimony.	6.40	170.00	1,088.00
06 06 2013	TAK	Work on application, testimony.	4.10	170.00	697.00
06 07 2013	TAK	Call with DeAnna Speed.	0.10	170.00	17.00
06 08 2013	TAK	Work on testimony.	1.50	170.00	255.00
06 10 2013	TAK	Work on application and filing requirements; drive to and from Big Rivers.	9.50	170.00	1,615.00
06 11 2013	TAK	Work on testimony; meeting at Big Rivers to review tariff; drive to and from Big Rivers.	9.20	170.00	1,564.00
06 12 2013	TAK	Work on testimony.	5.70	170.00	969.00
06 13 2013	TAK	Work on testimony; calls with John Wolfram.	6.00	170.00	1,020.00
06 14 2013	JMM	Conference with DeAnna Speed re tariff; research for and prepare draft resolution for board; message to DeAnna Speed and Billie Richert.	0.70	220.00	154.00
06 14 2013	TAK	Work on testimony; call with John Wolfram.	2.00	170.00	340.00
06 16 2013	JMM	Legal research re filing preparation; message to Bob Berry and Lindsay Barron.	2.20	220.00	484.00

06 17 2013	TAK	Work on testimony.	5.40	170.00	918.00
06 18 2013	JMM	Review draft testimony.	0.70	220.00	154.00
06 18 2013	TAK	Work on testimony and application; one-half travel time to and from Big Rivers; calls with John Wolfram.	9.60	170.00	1,632.00
06 18 2013	TW	File research and review.	5.30	75.00	397.50
06 19 2013	TAK	Work on testimony; one-half travel time to and from Big Rivers.	4.60	170.00	782.00
06 20 2013	TAK	Work on testimony; one-half travel time to and from Big Rivers.	8.40	170.00	1,428.00
06 21 2013	TAK	Work on testimony; one-half travel time to and from Big Rivers.	6.00	170.00	1,020.00
06 22 2013	TAK	Work on testimony.	2.20	170.00	374.00
06 24 2013	TAK	Work on testimony and application.	2.10	170.00	357.00
06 25 2013	TAK	Work on testimony, application.	0.80	170.00	136.00
06 26 2013	TAK	Work on testimony and application; one-half travel time to and from Big Rivers; prepare confidentiality agreements.	3.10	170.00	527.00
06 27 2013	TAK	Work on testimony, application; drive to and from Big Rivers.	2.10	170.00	357.00

TIMEKEEPER SUMMARY

JMM	Miller, James	10.70	\$220.00	2,354.00
TAK	Kamuf, Tyson	93.60	\$170.00	15,912.00
TW	Wright, Trisha	5.30	\$75.00	397.50
Total fees for this matter				18,663.50

BILLING SUMMARY

TOTAL PROFESSIONAL SERVICES	\$18,663.50
TOTAL OUT-OF-POCKET EXPENSES	\$0.00
TOTAL CURRENT CHARGES	\$18,663.50
TOTAL BALANCE DUE UPON RECEIPT	\$18,663.50

BIG RIVERS

Invoice- June, 2013 Services

*Alcan Rate Case
#2013-00199*

<u>Date</u>	<u>Description</u>	<u>Time</u>	<u>Rate</u>	<u>Amount</u>
June 23rd	Update 2012 Schedules	3		
June 24th	Update 2012 Schedules	2		
June 30th	Review Sent Material	1		
Total Invoice		6	\$225.00	\$1,350.00

Please send payment to:

Daniel Walker
7106 University Drive
Richmond, Virginia 23229

thanks for the opportunity to do business with Big Rivers.

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*Tyron,
If you have any
questions please
call.
Ken.*

Big Rivers Electric Corporation
Case No. 2013-00199
***First Monthly Update* of Schedule of Rate Case Costs Incurred-To-Date**

Line No.	Month Booked	Check Number	Vendor	Invoice Number	Amount	Account	Description	Base Period
1	June-2013	531702	Catalyst Consulting LLC	153	\$ 15,435.32	186	Consulting	Note 1
2	June-2013	531774	Haynes and Boone LLP	21025494	346.50	186	Legal	Note 1
3	June-2013	531872	Sullivan, Mountjoy, Stainback & Miller	118,480	18,663.50	186	Legal	Note 1
4	June-2013	531721	Daniel M. Walker	June, 2013 Services	1,350.00	186	Legal	Note 1
5			Total - June 2013		35,795.32			
6			Total To-Date May 2013		70,219.55			
7			Total To-Date June 2013		\$ 106,014.87			

Notes(s): Costs associated with this Rate Case are currently booked to a deferred debit account on the balance sheet pending approval from the KPSC to defer costs in a regulatory asset to be amortized over three years.