



COMMONWEALTH OF KENTUCKY
OFFICE OF THE ATTORNEY GENERAL

JACK CONWAY
ATTORNEY GENERAL

September 18, 2013

RECEIVED

SEP 18 2013

PUBLIC SERVICE
COMMISSION

1024 CAPITAL CENTER DRIVE
SUITE 200
FRANKFORT, KENTUCKY 40601

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

RE: *In Re* Application of Big Rivers Electric Corporation, Inc.
for an Adjustment of Rates; Case No. 2013-00199

Dear Mr. Derouen:

On Monday, August 19, 2013, the Attorney General filed his Supplemental Data Requests in the above-styled matter. The Attorney General's requests included a separate sealed envelope marked as confidential, containing certain items of information for which the petitioner, Big Rivers Electric Corp. ["Big Rivers"], has sought confidential protection in separate petitions dated June 28, 2013, July 12, 2013, and September 3, 2013. As of this date, it appears the PSC has not ruled on any of these petitions.

Further, at the request of counsel for Big Rivers, a revised Public Redacted Version of these Supplemental Data Requests is being filed as of this date in order to redact some information which Big Rivers maintains is confidential. Therefore, the Attorney General is herewith submitting a revision to the confidential information that was submitted on September 16, 2013 to reflect these additional redactions.

Please advise if you should have any questions, or require any further information.

Yours truly,

Lawrence W. Cook
ASSISTANT ATTORNEY
GENERAL

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
SEP 18 2013
PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION, INC.)
FOR AN ADJUSTMENT OF RATES)

Case No. 2013-00199

ATTORNEY GENERAL'S REVISED SUPPLEMENTAL DATA REQUESTS
PUBLIC REDACTED VERSION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Revised Supplemental Requests for Information to Big Rivers Electric Corporation [hereinafter referred to as "Big Rivers"] to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the witness who will be prepared to answer questions concerning each request.
- (3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for Big Rivers with an electronic version of these questions, upon request.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information

within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

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

(6) If you believe any request appears confusing, please request clarification directly from Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and

shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-


readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

Respectfully submitted,
JACK CONWAY
ATTORNEY GENERAL



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Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that, by agreement with counsel for Big Rivers Electric Corporation, that true and accurate copies of the foregoing were sent via electronic mail to:

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this 18th day of September, 2013



Assistant Attorney General

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Electric Corporation, Inc.
For an Adjustment of Rates
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Attorney General's Supplemental Data Requests
PUBLIC REDACTED VERSION

1. Referencing Big Rivers' response to AG 1-9 please provide the following information:
 - a. What are the costs associated with Big Rivers Lines of Credit with MISO?
 - b. Are MISO's lines of credit requirements due to market participation or transmission service? State which one, if any.
 - c. What amount of the lines of credit required by MISO is related to service and market purchases by the Century Hawesville smelter?
 - i. What are the costs related to this amount?
 - d. Are these costs being recovered from Century under the Century Agreements approved in Docket 2013-00221?
 - e. What amount of the lines of credit required by MISO is related to service and market purchases by the Century Sebree smelter?
 - i. What are the costs related to this amount?
2. Regarding Big Rivers' response to AG 1-48, please provide quantified details regarding the import and export transfer capabilities of Big Rivers' system before and after the Vectren 345 interconnection and other transmission expansion plans. Please provide all studies performed to quantify these capabilities.
3. Referencing Big Rivers' response to AG 1-69, please provide the following information:
 - a. Any knowledge Big Rivers has regarding possible MISO requirements for operation of HMPL, Reid CT, Reid Steam, Green 1 and/or Green 2.
4. Referencing Big Rivers' response to AG 1-69, please include on a current and updated basis all costs associated with possible MISO requirements due to any Sebree smelter contract similar to the Century agreement for operation of the following:
 - a. Reid CT;

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- b. Reid Steam;
 - c. Green 1; and
 - d. Green 2
5. Referencing Big Rivers' response to AG 1-124(b) please provide a list of all Wilson and Coleman eventual "re-start" or "start-up" activities and cost of each activity and anticipated times when each activity will start and costs will be incurred.
6. Referencing Big Rivers' response to SC 1-14 please provide an explanation of the following:
- a. Do the values provided for ACES Henry Hub prices include a \$0.65/MMBTU delivery charge?
 - b. Is this cost added to the Henry Hub prices to develop the natural gas fuel prices for Big Rivers' generators?
 - c. How is this delivery charge incorporated in the PCM model if it is not incorporated into the ACES Henry Hub price forecast?
 - d. Does ACES add this delivery charge to its models to forecast locational electric prices (Indiana Hub, DI_SOCO, etc) or for dispatch of non Big Rivers' gas units in the region?
 - e. If not, please describe how Henry Hub gas prices are incorporated into the ACES Modeling.
 - f. Are natural gas delivery costs incorporated into the fuel costs, or anywhere else on the variable costs on the "Annual Resource Report" or the "Monthly Resource Report" tab?
 - g. How are these natural gas delivery costs used in the PCM?
 - h. Regarding natural gas delivery to Big Rivers' generating plants, please provide the following:

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- i. Maps and drawings depicting natural gas pipelines and any Big Rivers owned pipelines used to deliver gas to Big Rivers generating plants.
 - ii. Describe Big Rivers' natural gas purchasing practices for its generation facilities.
 - iii. Provide Big Rivers' pipeline transportation contracts.
 - iv. Provide Big Rivers' fixed and variable costs for natural gas transportation for the past 3 years.
 - v. Provide Big Rivers' forecasted fixed and variable costs for natural gas transportation for 2013 through 2017.
- i. Provide a detailed explanation and calculations used to derive the \$0.65/MMBTU delivery charge.
7. Referencing Big Rivers' response to AG 1-206 please provide the following related to anticipated Wilson Layup costs for each year from 2013 through 2018.
- a. A detailed listing of all anticipated layup costs including a description of each type of costs and the amounts anticipated on an annual basis. Response should include detail similar to that provided in response to KIUC 2-25, PSC 2-20, AG 2-25, PSC 3-16 and any other cross referenced responses provided in Docket 2012-00535 for the years requested.
 - b. Indicate where each anticipated layup cost item is included in the financial model used in this rate application.
8. Referencing Big Rivers' response to AG 1-207 please provide the following related to anticipated Coleman Layup costs for each year from 2013 through 2018.
- a. A detailed listing of all anticipated layup costs including a description of each type of costs and the amounts anticipated on an annual basis. Response should include detail similar to that provided in response to KIUC 2-25, PSC 2-20, AG 2-25, PSC 3-16 and any other cross referenced responses provided in Docket 2012-00535 for the years requested.

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- b. Indicate where each anticipated layup cost item is included in the financial model used in this rate application.
9. Referencing Big Rivers' response to AG 1-124 please provide the following regarding Wilson and Coleman restart costs after idling:
 - a. Provide a description of each type of restart or startup costs expected to be incurred by Big Rivers and the year these costs will be incurred.
 - b. Provide a detailed breakdown of each type of restart or startup costs expected to be incurred by Big Rivers and the year these costs will be incurred.
 - c. Indicate whether these costs will be capital costs or expenses.
 - d. Provide a description of all anticipated environmental upgrades that will be required prior to restarting these units.
 - e. Provide a detailed breakdown of all costs related to any environmental upgrades that will be required prior to restarting these units and the year these costs will be incurred.
 - f. Provide a description of each type of major maintenance activity that has been deferred that will be completed prior to restarting these units.
 - g. Provided a detailed breakdown of all costs related to these major maintenance activities and the year these costs will be incurred.
 - h. Provide a description of all necessary permits that will be required prior to restarting these units.
 - i. Provide a detailed breakdown of all costs related to achieving these permits and the year these costs will be incurred.
10. Referencing Big Rivers' response to AG 1-220, AG 1-221, AG 1-224 and AG 1-227 please explain how Big Rivers can anticipate zero coal inventory at Coleman beginning in June of 2014 and still assume that under the Century Agreement the Century Hawesville smelter will pay a net amount of \$0 per month to Big Rivers due to SSR costs related to Coleman operation during the forecasted test period.

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11. Please refer to BREC's Response to AG 1-9: Beyond the requirement to increase its letter of credit in favor of MISO by \$3 million, and to post \$2.5 million in cash collateral with MISO, what further actions might need to be taken by BREC to meet MISO's required levels of financial assurances should BREC's financial condition deteriorate further from the present state. What next levels of financial assurance with MISO exist beyond what BREC has satisfied to this point?
12. Please refer to BREC's Response to AG 1-28: What specifically prompted MISO to notify Big Rivers, when it did on June 26, 2013, that it had "lost its unsecured credit line?"
 - a. It is noted that the events listed at lines 13-18 of the response occurred well before the MISO June 26, 2013 notification date. Is this accurate?
13. Please refer to BREC's Response to AG 1-53, page 7 (Confidential): Provide all documents, power point presentations, etc. associated with the presentation and analysis of [BEGIN CONFIDENTIAL] [REDACTED]
[END CONFIDENTIAL], both before the Board of Directors, and in any board work session.
14. Please refer to BREC's Response to AG 1-53, page 15, (Confidential): Provide all documents, power point presentations, etc. associated with the extensive presentation and analysis of [BEGIN CONFIDENTIAL] "[REDACTED]" [REDACTED] [END CONFIDENTIAL], both before the Board of Directors, and in any board work session.
15. Please refer to BREC's Response to AG 1-53, page 16, (Confidential): Provide all documents, power point presentations, etc. associated with the presentation and analysis of [BEGIN CONFIDENTIAL] [REDACTED] [REDACTED] [END CONFIDENTIAL], both before the Board of Directors, and in any board work session.
16. Please refer to BREC's Response to AG 1-53, page 20, (Confidential): Provide all documents, power point presentations, etc. associated with the extensive presentation and analysis of [BEGIN CONFIDENTIAL] "[REDACTED]" [REDACTED]

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20. Please refer to BREC's Response to AG 1-53 (Confidential): Provide minutes and/or notes from all executive sessions or any other non-Regular meeting of the Big Rivers' Board of Directors, from 1/1/13 to the present, specifically to include the session referenced at page 14, during the [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] board meeting, as well as any others during that time period.
21. Please refer to BREC's Response to AG 1-52: Please state the current job title, job responsibilities, and tenure/dates of employment at BREC for the following BREC employees:
 - a. Dean Lawrence;
 - b. John Talbert;
 - c. Jennifer Bennett;
 - d. Sharla Austin-Darnell; and
 - e. If any of the above have left employment at BREC, please describe the reasons for such departure.
22. Please refer to BREC's Response to AG 1-52b: Produce all documents related to "2013 Forecast Accuracy Review".
23. Please refer to BREC's Response to AG 1-98, where various Production Cost Model runs are listed: What is the cost of each PCM run, including all BREC management time to provide/develop inputs, and review runs?
 - a. What is the cost in total on the same basis for the PCM runs in aggregate?
24. Please refer to BREC's Response to AG 1-145: Describe if and how loss of employment stemming directly and/or indirectly from potential closure of Century's Hawesville and Sebree smelting facilities is taken into consideration in performing the load forecast, especially as it pertains to forecasted residential and small business demand.
25. Please refer to BREC's Response to AG 1-189, which is in regards to Mr. Walker's tenure as CFO for Old Dominion Electric:

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- a. Identify and describe any occasions known to Mr. Walker, during and since that tenure as CFO, where a Generation and Transmission cooperative in the U.S. such as Big Rivers and Old Dominion lost a customer representing 25% or more of that G&T cooperative's native load;
 - b. For each occasion identified in a, above, describe the actions taken by that G&T cooperative to address such departure, from an operational perspective, to the extent known by Mr. Walker;
 - c. For each occasion identified in a, above, describe the actions taken by that G&T cooperative to address such departure, from a financial perspective, to the extent known by Mr. Walker.
26. Please refer to BREC's response to AG 1-209 f., where it states "MISO has clearly stated to Big Rivers that Big Rivers will not be allowed to make money on the Coleman units in an SSR": Provide copies of the entire document which contains this statement, or if previously provided, provide a reference to such document.
27. Please refer to BREC's response to PSC 1-29 c. provided estimated annual dollar values associated with the indicated efficiencies, for the Base Period, and Future Test Period for:
- a. Restricted Travel and limited conference attendance;
 - b. Elimination of 8 additional headcount;
 - c. Elimination of backfilling open positions;
 - d. Renegotiation of fuel and reagent contracts; and,
 - e. Maintenance deferral.
28. As a follow-up to BREC's response to AG 1-86 and related Attachment AG 1-86(a), the following addresses issues related to costs in the seven-month overlapping test period months of February 2013 through August 2013 in the prior rate case (Case No. 2012-00535) and the current rate case (Case No. 2013-00199).
- a. Please provide a working Excel version of Attachment AG 1-86(a) as originally requested and provide the costs for each of overlapping months

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February 2014 to August 2014 in Case No. 00535 and 00199 on a monthly basis as originally requested (BREC only provided a PDF attachment and only provided "total" seven month overlapping amounts for Case No. 00535 and 00199).

- b. Provide a working Excel version schedule for the information requested in this data request.
- c. Per Attachment AG 1-86(a), for each of the columns showing revenues for the overlapping months in Case No. 00535 and Case No. 00199, provide the amount of Alcan and Century revenues (show Alcan and Century revenues separately) by revenue line item for each of the seven months in each rate case, and cite to related Financial Model worksheet and row reference. For each month, show the Alcan and Century "actual" and "forecasted" revenues.
- d. Per Attachment AG 1-86(a), for each of the overlapping seven months in Case No. 00535 and Case No. 00199, provide the amount of operating costs that were both included or excluded (as appropriate for each rate case), for Wilson and Coleman (provide Wilson and Coleman amounts separately). Show these amounts for Variable Costs, Non-Labor Expenses, and Labor Reduction costs (as provided by BREC in response to AG 1-76 for Wilson) - - and separately identify these amounts included in each of the existing line item descriptions at Attachment AG 1-86(a) with a reference to the Financial Model worksheet and row reference.
- e. For all of these overlapping seven-month Wilson and Coleman costs in subpart (d) above, also provide the related 12-month total forecasted test period amounts, and reconcile the Wilson amounts to the response to AG 1-76 for the entire 12-month forecasted test period with a reference to the Financial Model worksheet and row reference.
- f. Regarding subpart question (d) and (e) above, separately provide all other Wilson and Coleman operating and other costs for the **overlapping seven-month** periods and the entire **12-month forecasted test periods**, including amounts for all other non-variable costs, administration and general expenses, common costs, lay-up costs, and all other costs not included in the response to AG 1-76. Separately identify these amounts included in each of

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the existing line item descriptions at Attachment AG 1-86(a) with a reference to the Financial Model worksheet and row reference.

- g. Regarding the revenues and costs shown in the two columns for the seven-month overlapping periods in Case No. 00535 and Case No. 00199, please set forth all costs in the same comparison-basis format for both cases (by either adding in or removing the Wilson and Coleman costs in each column for Case Nos. 00535 and 00199), and show the net change in seven-month overlapping costs between Case No. 00535 and Case No. 00199.
- h. BREC's response to AG 1-86(a) states that it was necessary to change certain assumptions for this filing, even though there are seven months in common with the prior rate case. Regarding subpart (g) above, after the costs for Case No. 00535 and 00199 have been adjusted to a consistent comparison basis, explain the reason for changes in each of the line item costs at Attachment AG 1-76(a) costs between Case No. 00535 and 00199 for the same seven month overlapping periods. For the changes in assumptions, inputs, and methods in each similar or same cost between the two rate cases, explain and show the amount of the change, and explain in detail why BREC believes the change was necessary. Provide the related supporting documentation, calculations, and citations to the worksheet and row references at the Financial Model.
- i. Per Attachment AG 1-76(a), "Total Cost of Electric Service" showing a difference of **BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL** between costs in Case No. 00535 and Case No. 00199, explain if this is intended to be the same **BEGIN CONFIDENTIAL [REDACTED] ***END CONFIDENTIAL** shown as the revenue requirement impact of the Century departure in Case No. 00535 (per Exhibit Berry-4), or explain if this amount is merely a coincidence. Provide all related explanations.
29. As a follow-up to BREC's response to AG 1-86 and related Attachment AG 1-86(a), the following addresses issues related to a comparison of costs between the forecasted test periods in prior rate case (Case No. 00535) and the current rate case (Case No. 00199). Please provide your responses on a working Excel spreadsheet and show information for each of the twelve months in each rate case.
- a. Use the same format at information provided at Attachment AG 1-86(a), except provide this information for the entire 12-month forecasted test periods of Case No. 00535 and Case No. 00199, using the same line items

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(along with any other necessary line items), and cite to the related worksheet and row reference in the Financial Model.

- b. Using the same format Attachment AG 1-86(a), for each of the columns showing revenues for the overlapping months in Case No. 00535 and Case No. 00199, provide the amount of Alcan and Century revenues (show Alcan and Century revenues separately) by revenue line item for each of the twelve months in each rate case, and cite to related Financial Model worksheet and row reference. For each month, show the Alcan and Century "actual" and "forecasted" revenues.
- c. Using the same format as Attachment AG 1-86(a), for each of the twelve months in Case No. 00535 and Case No. 00199, provide the amount of operating costs that were both included or excluded (as appropriate for each rate case), for Wilson and Coleman (provide Wilson and Coleman amounts separately). Show these amounts for Variable Costs, Non-Labor Expenses, and Labor Reduction costs (as provided by BREC in response to AG 1-76 for Wilson) - - and separately identify these amounts included in each of the existing line item descriptions at Attachment AG 1-86(a) with a reference to the Financial Model worksheet and row reference.
- d. BREC's response to AG 1-86(a) states that it was necessary to change certain assumptions for this filing, even though there are seven months in common with the prior rate case. Regarding subpart (b) above, after the costs for Case No. 00535 and 00199 have been adjusted to a consistent comparison basis, explain the reason for changes in each of the line item costs. For the change in each similar or same cost between the two rate cases, explain and show the amount of the change related to each change in assumptions, inputs, and methods - - and explain in detail why BREC believes the change was necessary. Provide the related supporting documentation, calculations, and citations to the worksheet and row references at the Financial Model.
- e. Regarding subpart (a) and (b) above, explain and identify all costs (by line item and citation to the Financial Model) that were uniquely included in either Case No. 00535 or Case No. 00199, but were not included in both rate cases, and explain why it was reasonable to include these incremental or different costs in each rate case.

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30. BREC's response to AG 1-86(a) states that it was necessary to change certain assumptions for this filing even though there are seven months in common with the prior rate case. One business day prior to the start of the evidentiary hearing in Case No. 00535, BREC filed the application for its new rate case in Case No. 00199. Although both cases existed simultaneously and included the same seven-month overlapping period of February 2014 to August 2014, BREC was supporting different costs included in each of the seven-month overlapping periods for each rate case at this same point in time on July 3rd. Address the following:

- a. At the same point in time on July 3, 2013, explain how BREC can reasonably claim that two different amounts of costs for the same seven month period are accurate and reasonable. Explain how assumptions can be different on the very same day for the very same overlapping seven months in two rate cases.
- b. Explain if the assumptions used for the seven month overlapping costs in Case No. 00535 are more accurate than those used in Case No. 00199, or *vice versa*, and explain why, along with supporting documentation and calculations.
- c. Regarding (a), provide all precedent from prior Kentucky rate cases for this position and explain if BREC has taken this same position in any other rate cases and provide a citation to those rate cases and the Commission's decision.
- d. If it is reasonable to support at least two different sets of costs for the same seven-month overlapping period in two different rate cases at the same point in time, then explain how many sets of different costs can be reasonably supported at the same point in time.
- e. Explain why BREC did not, or should not have, updated its assumptions and related costs for overlapping seven months in the prior Case No. 00535 to reflect the revised or updated assumptions and related costs used in current Case No. 00199.
- f. Identify and cite to prior rate cases where the same utility has filed two separate rate cases with overlapping forecasted test periods (for a fully forecasted test period rate case) or with overlapping historical test periods (for a historical test period rate case) and cite to the Commission's order in

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these rate cases and all precedent regarding these types of rate cases, and explain if the Commission allowed or did not allow costs to be recovered for overlapping test periods.

31. BREC's response to AG 1-76 showed the costs savings from idling (laying up) the Wilson plant, calculated as the Alcan revenue loss netted with cost savings from the operating costs identified as Variable Costs, Non-Labor Expenses, and Labor Reduction. Also, Mr. Berry's testimony (p. 16), explains that the Wilson plant will be idled beginning February 1, 2014 (the first month of the forecasted test period) and the Coleman plant will be idled no later than June 1, 2014 (the fifth month of the forecasted test period). Address the following:
- a. The response to AG 1-76 states that due to the anticipated lay-up of Wilson, the Wilson operating costs were excluded from the "O&M" worksheet (for incorporation of labor & non-labor reductions), the "PCM" worksheet (for variable costs), and the "Fuel" worksheet (for fuel costs).
 - i. Please explain or clarify if this means that all of the Wilson operating plant costs (identified in AG 1-76 as Variable Costs, Non-Labor Expenses, and Labor Reduction) have been removed from the forecasted test period in this rate case.
 - ii. Explain and identify all Wilson operating costs that have been removed, and which have not been removed, from this rate case, and show these costs (for each month) for both the base period (separately show actual and forecasted costs) and the forecasted test period and reconcile these amounts to the Variable Costs, Non-Labor Expenses, and Labor Reductions shown at the response to AG 1-76.
 - iii. Also, for the Wilson operating costs that have been removed and have not been removed from the forecasted test period, show these costs (by month) using the same cost/expense categories shown in BREC's response to AG 1-86 and provide a citation of all costs to worksheet and row references in the Financial Model.
 - iv. Because Wilson is expected to be idled February 1, 2014, explain all Wilson operating costs that were not removed from the test period by this date. Provide all supporting documentation and calculations for this response.

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- b. Because Coleman is also anticipated to be laid up no later than June 1, 2014, explain or clarify if all of the Coleman operating plant costs have also been removed from the forecasted test period in this rate case in the same or similar format as the Wilson operating costs identified at the response to AG 1-76.
- i. Provide all of the same information for the Coleman operating plant costs savings for Variable Costs, Non-Labor Expenses, and Labor Reduction, as was requested in the prior sub-part (a) question related to Wilson.
 - ii. Explain and identify all Coleman operating costs that have been removed, and which have not been removed, from this rate case, and show these costs (for each month) for both the base period (separately show actual and forecasted costs) and the forecasted test period and reconcile these amounts to the Variable Costs, Non-Labor Expenses, and Labor Reductions shown at the response to AG 1-76.
 - iii. Also, for the Coleman operating costs that have been removed and have not been removed from the forecasted test period, show these costs (by month) using the same cost/expense categories shown in BREC's response to AG 1-86 and provide a citation of all costs to worksheet and row references in the Financial Model.
 - iv. Because Coleman is expected to be idled no later than June 1, 2014, explain all Coleman operating costs that were not removed from the test period by this date. Provide all supporting documentation and calculations for this response.
- c. Regarding amounts in prior sub-part questions (a) and (b) for Wilson and Coleman for the current rate case, identify the amount of these Variable Costs, Non-Labor Expenses and Labor Reduction amounts for the prior rate case, and show amounts for the base period and forecasted test period (for each month) in the prior rate case (and identify those amounts included and removed in the prior rate case).
- d. If Coleman operating plant costs have not been removed from the forecasted test period in this rate case, explain why Coleman is treated differently than Wilson (assuming Wilson operating costs have been removed) when both

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plants are expected to be idled before the end of the forecasted test period in this rate case.

- e. Explain if the combination of operating costs saved from idling both Wilson and Coleman (identified as those same types of operating costs of Variable Costs, Non-Labor Expenses and Labor Reduction Costs at AG 1-76) are greater than or less than the Alcan revenue loss of \$155 million (this is not confidential) provided in response to AG 1-76, and provide all supporting documentation and calculations.
- f. Compare the combined operating cost savings of idling both Wilson and Coleman in this rate case to the combined revenue loss of Alcan (non-confidential - \$155 million revenue loss in response to AG 1-76) and Century, and show the net impact along with all supporting documentation and calculations. Regarding the amount of the requested Century revenue loss, provide this amount on a consistent comparison basis to the Alcan revenue loss of \$155 million shown at the response to AG 1-76. Thus, the non-confidential \$92.4 million "Century Gross Sales Margin of Revenues Less Variable Cost" (provided at Exhibit Berry-4 in the prior rate case) will need to be grossed up to show the total Century revenue loss before variable costs are deducted (which was the format provided in the prior rate case at Exhibit Berry-4).
- g. Refer to Exhibit Berry-4 in the prior rate case which shows Century revenues less variable costs of \$92.4 million less lay-up savings costs and MISO expenses to arrive at net deficiency after savings of \$63 million (these amounts are not confidential). Provide supporting documentation and line item Century costs savings (Variable Cost, FDE Non-Labor, FDE Labor, Less Lay-Up Costs, Less Retained BREC Labor, and MISO Expenses) from Exhibit Berry-4 in the prior rate case and reconcile these same types of costs and costs savings to the line items shown at the response to Wilson cost savings at AG 1-76 (Variable Costs, Wilson Non-Labor Expenses, Labor Reduction).
- i. Identify and explain all types of costs and cost savings that were included and excluded at Exhibit Berry-4 in the prior rate case, compared to the same type of costs and cost savings that have been included and excluded at the response to AG 1-76. Also, explain the reason for the different treatment of these costs and cost savings between the prior rate case and the current rate case.

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- h. Regarding the cost savings in Variable Costs, Non-Labor Expenses, and Labor Reduction costs in the response to AG 1-76, explain if these costs have been netted or reduced by "lay-up costs." Provide the lay-up costs and all supporting documentation and calculations. If "lay-up" costs are included in AG 1-76 for Wilson, provide these same lay-up costs for the Coleman plant in this rate case and provide all supporting documentation and calculations.
- i. The response to AG 1-76 shows "Labor Reduction" costs of \$11 million (non-confidential) related to the Wilson lay-up. However, Mr. Wolfram's testimony and exhibits (pp. 15-16 and Schedule 1.10) in this rate case only shows an adjustment to remove idled Coleman plant non-recurring labor. Explain and show where the \$11 million of Wilson "Labor Reduction" and "Non-Recurring Labor" have been removed in this rate case and provide supporting documentation and calculations. Show amounts for all months and for the base period and forecasted test period, and reconcile these amounts to the same format used for removing Coleman non-recurring labor at Schedule 1.10. Explain the reasons for differences in assumptions and methods used in calculating Labor Reduction and Non-Recurring Labor costs for Wilson and Coleman. Also, provide a citation to where all amounts are reflected in the Financial Model, showing worksheet and row numbers.
- j. The response to AG 1-76 shows confidential "Non-Labor Expenses" related to the Wilson lay-up of **BEGIN CONFIDENTIAL** [REDACTED] **END CONFIDENTIAL**. Also, Mr. Wolfram's testimony and exhibits (p. 18 and Schedule 1.13) in this rate case only show an adjustment to remove idled Coleman plant non-labor expenses. Explain and show where the Wilson "Non-Labor Expenses" have been removed in this rate case and provide supporting documentation and calculations (show amounts for all months and for the base period and forecasted test period), and reconcile these amounts to the same format used for removing Coleman non-labor expenses at Schedule 1.13. Explain the reasons for differences in assumptions and methods used in calculating non-labor expenses for Wilson and Coleman. Also, provide a citation to where all amounts are reflected in the Financial Model, showing worksheet and row numbers.
- k. Explain why depreciation expense was not removed at the Wilson cost savings in response to AG 1-76, and provide total Wilson plant and Coleman plant depreciation expense that is included in the forecasted test period in

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this rate case by account number and provide supporting documentation and calculations (provide a citation to worksheet and row references in the Financial Model).

1. Regarding the cost savings for idling the Wilson plant at AG 1-76, for both Wilson and Coleman, separately identify all other non-variable expenses, administrative and general expenses, other common expenses, other overhead expenses, and all other expenses which have **not been removed** from this rate case for Wilson and Coleman. Provide supporting documentation and calculations for these amounts for the base period and forecasted test period (along with a citation to where such amounts are included in the Financial Model). Explain why these costs have not been removed from this rate case.
32. Regarding BREC's Confidential response to PSC 2-15 in regards to the PSC's request if BREC has offered to sell the Wilson and Coleman plants, address the following:
BEGIN CONFIDENTIAL***

[REDACTED]

[REDACTED]

c. [REDACTED]

END CONFIDENTIAL***

33. Regarding BREC's Confidential response to PSC 2-15, address the following regarding the PSC's question of whether BREC has offered to sell the Wilson and Coleman plants :
- a. If BREC would sell the Wilson and/or Coleman plants, explain how any gain or a loss would be recorded on BREC's books.

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- b. Explain if BREC would propose to record the gain or the loss on sale, either above-the-line and included in regulated earnings or below-the-line and excluded from regulated earnings, and explain the potential impact in a rate case filing.
- c. Explain if BREC would propose to amortize such gain or loss on its books and explain this treatment and amortization period.
- d. Explain if BREC would treat a gain on sale different than a loss on sale in regards to how it is recorded on the books and treated in a rate case. For example, explain if BREC would record all "gain" amounts below-the-line and exclude from regulatory earnings, and explain if BREC would record all loss amounts above-the-line to increase its costs sought for recovery from customers in a rate case. Also, explain if any gain or loss would be shared between customers and shareholders.

34. Regarding BREC's Confidential response to PSC 2-15, address the following:

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[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

f. [REDACTED]

*****END CONFIDENTIAL.**

35. Regarding BREC's Confidential response to PSC 2-15 address the following:
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[REDACTED]

b. [REDACTED]

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[REDACTED]

*****END CONFIDENTIAL**

36. Provide all supporting documentation Regarding BREC's Confidential response to PSC 2-15, and address the following:

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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37. Is there an error in the calculations or methodology of Integrated Resource Plan (IRP) costs included in this rate case and the prior rate case, which should also be addressed in the context of a follow-up to BREC's response to AG 1-285? Specifically, in the prior rate case Mr. Wolfram (p. 19, lines 14 to 19) stated that total IRP budgeted costs were \$445,000, these amounts were incurred over three years, and IRP costs of \$151,000 were included in the prior rate case (per Exhibit Wolfram-2, Schedule 1.11 of prior rate case). However, in the current rate case Mr. Wolfram (p. 16, lines 18-23) proposes recovery of \$60,000 of these same IRP costs, and these IRP costs are for the same overlapping months of the prior rate case February 2014 through April 2014 (per Exhibit Wolfram-2, Sch. 1.11 of current rate case). It is not clear why these IRP costs are not "amortized ratably" over three years as appears to be the intent of Mr. Wolfram's testimony, and this would result in monthly amortized IRP costs of \$12,361 (total IRP cost of \$445,000 amortized over 36 months = \$12,361/month). But instead, Mr. Wolfram's Exhibit and Schedules randomly include different IRP costs in various months, with \$35,250 in the months of September and October 2013, \$20,600 for January 2014, and \$20,000 for the months of February through April 2014. Address the following:
- a. Explain why different amounts of IRP costs are randomly included in various months in 2013 and 2014 (and presumably randomly for the three year period proposed by BREC), and explain the support for this method and the different monthly amounts (and provide all related calculations).
 - b. Explain why IRP costs should not be ratably amortized (equal amortization per month) over three years, equal to \$12,361 per month, which would provide for somewhat different costs included in the prior and current rate case.
 - c. In BREC's response to AG 1-285, explain why the IRP costs of \$271,500 shown at 1-285a Attachment do not reconcile to the total IRP costs of \$445,000 in Mr. Wolfram's testimony. Provide all reconciliations and supporting documents.

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- d. In BREC's response to AG 1-285(a), explain why only IRP costs of 271,500 are shown for the base period and fully forecasted test period, and show all other remaining IRP costs budgeted or actually incurred for each prior month to reconcile to the total IRP costs of \$445,000 (given that Mr. Wolfram claims that \$445,000 of IRP costs are spread over 3 years).
- e. Explain why a 3 year estimate of costs was provided when the bid document (Confidential bid document provided at AG 1-285, page 16 of 80) appears to indicate the IRP would be completed over about [REDACTED]
- f. Explain when actual costs will start being incurred for the IRP, Load Forecast, and Transient Study, and provide supporting documentation for this such as citations to bid documents and RFPs.
- g. AG 1-285(b) requested copies of actual invoices for work performed to date on the IRP, Load Forecast, and Transient costs included in the test period, but it appears that invoices for only the months of February, March, April, and May 2013 have been provided (and these reflect a relatively small amount of costs). Explain why few costs have been billed and the IRP is not substantially complete, when the prior cited bid document indicated the IRP would be completed by [REDACTED].
- h. In BREC's response to AG 1-285, explain why the Load Forecast costs shown at 1-285a Attachment, along with 1-285d Attachment, do not reconcile to the total Load Forecast costs of \$65,000 in Mr. Wolfram's testimony. Provide all reconciliations and supporting documents.
- i. Explain why the Load Forecast and Transient Stability costs are not spread over 3 years, or are not amortized over 3 years.
- j. In BREC's response to AG 1-285(d), explain why the IRP budgeted costs of \$445,000 are [REDACTED].
- k. In BREC's response to AG 1-285(d), explain why IRP budgeted costs of \$445,000 are significantly greater than the actual IRP costs of \$269,780 incurred in 2010 and 2011 as shown at 1-285d Attachment.

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1. Explain why most of the actual costs of the prior IRP (shown at 1-285d Attachment) were incurred in one year, while the budgeted IRP costs included in this rate case have been spread randomly over three years.
 - m. Explain why IRP, Load, and Transient budgeted costs should be included in the test period when BREC does not provide actual updated cost for these services similar to updates provided for rate case expense.
38. Regarding BREC's response to AG 1-27, explain and identify all adjustments and amounts reflected in the forecasted test period (by account number and description) that reflect the impact of BREC's May 24, 2013, termination of its \$50 million Senior Unsecured Revolving Credit Agreement with CoBank and the subsequent negotiation and amendment of BREC's \$50 million Revolving Line of Credit Agreement with CFC on August 20, 2013. Provide supporting documentation and calculations showing the original amount, revised amount, and final change (or impact) regarding the following:
- a. Re-financing costs and all other similar or related costs related to this matter.
 - b. Legal and other professional expenses related to this matter.
 - c. Other recurring and nonrecurring charges paid to Co-Bank/CFC regarding this matter.
 - d. Long and short-term debt balances.
 - e. Interest expense and interest rates.
 - f. All other revenues, expenses, and balance sheet accounts that were impacted.
 - g. If the previously mentioned changes or impact are not reflected in the forecasted test period, then explain why that is the case.
39. BREC's response to AG 1-28 states that on June 26, 2013, MISO notified BREC it had lost its unsecured credit line of \$2.3 million, and that MISO and BREC discussed this matter on June 27.th MISO performed an analysis and both parties agreed BREC would provide additional cash credit support of \$2.5 million, which was wired to MISO on June 28, 2013. BREC had a 4.08 financial score and MISO indicated the normal range is around 4.0 on a scale of 1 to 7, but MISO noted the loss of unsecured

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credit was related to the downgrade by 3 major rating agencies, high industrial composition of customers, loss of CoBank's \$50 million revolver and potential loss of CFC's \$50 million revolver, and potential loss of 850 MW load and revenue. Address the following:

- a. Provide a copy of all documentation and agreements with MISO regarding this matter and provide a summary explanation of the purpose of these documents.
- b. Explain how the 4.08 financial score was determined and provide all related supporting documents and calculations for this calculation, and provide copies of all documents given to MISO that support the 4.08 financial score. Explain if this is a MISO-specific financial assessment, an industry assessment, and otherwise explain in more detail this type of financial analysis of BREC.
- c. Explain the cost versus the benefit of BREC providing additional cash to MISO of \$2.5 million to retain a lesser amount of \$2.3 million of unsecured credit. Why does the cash provided to MISO exceed the total credit line available?
- d. Explain the accounting entry made on BREC's books regarding the \$2.5 million wired to MISO on June 28, 2013 and explain how this is reflected on BREC's books and explain and show how this is reflected in BREC's forecasted test period.
- e. Explain the date when MISO first extended the \$2.3 million unsecured line of credit to BREC, and provide a copy of this agreement.
- f. Explain why the reasons cited by MISO were used to justify withdrawing its \$2.3 million line of unsecured credit to BREC, and why wasn't MISO already informed of many of these issues (especially if some or most of these reasons were already known, or should have been known, at the time of the original agreement for the \$2.3 million of credit). For example, BREC has always had a high composition of industrial/smelter customers, and why wasn't this simple fact previously known by MISO.
- g. Provide a list of all reasons included in agreements between MISO and BREC which can cause default of the \$2.3 million unsecured credit.

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40. BREC's response to AG 1-34 indicates it disagrees with the characterization of the costs related to the loss of Century/Alcan smelters as "stranded costs." Please provide BREC's definition of "stranded costs" and explain how this is not applicable to the loss of the Smelters. Also, provide a citation to prior Commission orders and cases which have a definition of stranded costs that is consistent with BREC's definition of that term, or explain why prior Commission precedent regarding such definitions is not appropriate in this proceeding.
41. BREC's response to AG 1-36 states that it is in the process of providing a "cost reimbursement" agreement to Century to recover all costs associated with the potential transaction. Address the following and provide updates to this data request:
- a. Describe specifically the timelines and deadlines that BREC is working under to provide a cost reimbursement agreement to Century and provide copies of documents that set forth these timelines.
 - b. Provide copies of all previous and new agreements and documents which explain and identify the types of costs (and the amounts of costs, if applicable) which are required to be reimbursed to BREC. Identify all types of costs which are required to be reimbursed under all agreements, and identify all other types of costs that BREC and Century are separately negotiating for reimbursement.
 - c. Explain why BREC cannot identify or provide to the AG, at this time, the amount of costs (or a reasonable estimate of these costs) to be potentially reimbursed by Century. Explain the reasons for delays or why these amounts are not known or cannot be reasonably estimated at this time.
 - d. Provide a reasonable range or estimate of the minimum and maximum amount of costs that BREC believes is reasonable for reimbursement from Century, identify costs by account and description.
 - e. Explain if BREC is delaying the quantification or resolution of these reimbursement amounts to avoid reflecting such amounts in this rate case.
42. Reference BREC's response to AG 1-55, which states it anticipates severance related expenses in 2013-2014 with the idling of one or more power plants, but it has not yet

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finalized a severance plan or program to be effective in that event, and no severance amounts were paid from 2010 through 2013. In prior Case No. 2012-00535, BREC's response to AG 1-59 (and cites to AG 1-75) states that severance costs of \$4.6 million are deferred and amortized in the budget over 60 months beginning September 2013 and the forecasted test period included 12 months of severance amortized costs of \$920,000 at "Regulatory Charge", row 47. Finally, Mr. Wolfram's testimony in this rate case removes non-recurring labor expenses related to staffing affected by the anticipated idling of the Coleman plant (p. 15, lines 14-23 and Schedule 1.11 of Exhibit Wolfram-2) and he also notes that revenue requirement adjustments reflect the idling of both the Wilson and Coleman stations (p. 16, lines 11-13). In light of the above, address the following:

- a. Explain why severance costs were included in the forecasted test period in prior Case No. 2012-00535, but have not been included in this rate case (if this understanding is incorrect, then explain and identify all severance costs included in the forecasted test period in this rate case).
- b. Explain if BREC did not include amortization of severance expenses in this rate case because the amounts are not known or measurable, because BREC has not yet finalized a severance plan.
- c. Explain if this change in reasoning means that BREC no longer supports the severance costs included in the prior rate case, or explain why projected severance costs would be appropriate and reasonable for the prior rate case but are not appropriate or reasonable for this rate case. Provide and cite to all Commission precedent that would support this inconsistency in positions.
- d. Explain or confirm that Wolfram Schedule 1.11 related to non-recurring labor expenses does not include any severance costs. Otherwise, provide all supporting calculations and documentation for any severance costs included in the forecasted test period of this rate case.

43. Regarding BREC's response to AG 1-53 and the related Confidential Board of Director Minutes (BODM), address the following:

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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44. Regarding BREC's response to AG 1-5, please confirm that the latest presentation/meeting with an investment firm was the JP Morgan presentation on December 18, 2012, per the information provided. Otherwise, provide updated information.

45. Regarding BREC's response to AG 1-5, please confirm that the latest presentation/meeting made to the RUS was the presentation on March 19, 2013, per the information provided. Otherwise, provide updated information.

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46. Regarding BREC's response to AG 1-5, provide an updated copy of the document showing revised contract and conventional TIER projected through year 2023 after the loss Alcan and Century smelters, documents cited as Confidential "Contract and Conventional TIER", page 20 of Financial Projections, Witness: Billie J. Richert, page 24 of 31. Show a scenario with BREC receiving all of its rate increases in prior and current rate case, and show a scenario with BREC receiving none of its rate increase in prior and current rate cases.

47. BREC's response to AG 1-57 states, **BEGIN CONFIDENTIAL***** [REDACTED]

[REDACTED] *****END CONFIDENTIAL.** Address the following:

- a. Identify the name of the "company" performing the services mentioned above and provide a copy of the related contract, RFP, and engagement letter.
- b. Provide the amount paid to the "company" by account number, and provide copies of all invoices.
- c. Explain if the costs of this "company" have been included in the forecasted test period of this rate case and identify all costs for the base period and forecasted test period, separately show actual and forecasted amounts, and show amounts by account number. Explain why it is reasonable to recover these costs from BREC's customers.

48. BREC's response to AG 1-58 provided the amount of payments to Officers/Management that have left BREC employment, including payments for unused vacation, sick leave, and unused personal days. Address the following:

- a. Provide the amount of accrued expenses (and the number of days represented by each type of expense) included in the base period (show actual and forecasted amounts separately) and forecasted test period by account number for each existing BREC Officer for unused vacation (amount and related days), sick leave (amount and related days), and unused personal days (amount and related days).
- b. Provide the total actual accumulated liability for each existing BREC Officer for unused vacation, unused sick leave, and unused personal days, at December 31, 2011, December 31, 2012, and through most recent year-to-date in 2013.

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- c. Provide the amount per day that accrues for each Officer for unused vacation, unused sick leave, and unused personal days and explain how this is determined.
 - d. Provide the information in (a) for "Management" employees on a combined basis.
 - e. Provide the information in (b) for "Management" employees on a combined basis.
 - f. Provide the information in (c) for "Management" employees on a combined basis.
 - g. Provide a copy of BREC's policy for unused vacation, unused sick leave, and unused personal days and explain the maximum accrual per year and for total employment time with BREC before amounts begin to expire or are not paid by BREC.
 - h. Explain why \$105,074 of mostly unused vacation and unused sick leave was paid to the VP Administrative Services and explain how this significant amount accumulated (explain the period of time of accumulation of these amounts). Explain the same for the \$63,249 paid to the Director Finance (and explain the period of time of accumulation of these amounts).
 - i. Regarding the amounts paid as shown at AG 1-58, provide a copy of the journal entry to debit and credit accounts showing these payments.
49. Referencing Big Rivers' response to PSC 2-14 please provide the following information regarding natural gas price forecasts shown on the "Big Rivers PCM Run 4-22-13 (2013-2027)" excel spreadsheet "Prices" and "Annual Prices" tab:
- a. Have these prices been updated to develop the confidential attached table? If so, please provide these updated price forecasts.
 - b. Does ACES use natural gas price forecasts as inputs to develop its Hub power price forecasts?
 - c. The source documentation for these price forecasts.

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- d. Any assumed natural gas transportation costs and the basis for the assumption.
50. Referencing Big Rivers' response to PSC 2-14 please provide the following information regarding coal price forecasts shown on the "Big Rivers PCM Run 4-22-13 (2013-2027)" excel spreadsheet "Prices" and "Annual Prices" tab:
- a. Have these prices been updated to develop the confidential attached table? If so, please provide these updated price forecasts.
 - b. Does ACES use coal price forecasts as inputs to develop its Hub power price forecasts?
 - c. The source documentation for these price forecasts.
 - d. Any assumed coal transportation costs, where these costs are incorporated in the referenced PCM and the developed financial models, or any other PCM and financial model used to develop Big Rivers' revenue requirements in this case, and the basis for the assumption.
51. Referencing Big Rivers' response to PSC 2-14, please provide an updated PCM and an updated financial model based on this new information.
52. Referencing Big Rivers' response to PSC 2-37 and PSC 2-14 please provide the annual average plant account balances and depreciation expense for Coleman and Wilson Stations for each year from 2013 through 2020.
53. Referencing Big Rivers' response to PSC 2-15 that **BEGIN CONFIDENTIAL**

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54. Referencing Big Rivers' response to KIUC 1-52 and the installation of MATS equipment at Wilson and Coleman, please provide the following:
- Costs of installing this equipment for each unit.
 - Dates these costs will be incurred.
 - Net Plant for both all Coleman and Wilson accounts for the years of 2014 through 2020.
55. Referencing Big Rivers' response to KIUC 1-53 please provide the MISO Schedule 9 Network Transmission Calculation for transmission revenue that Century Sebree smelter would pay if a similar agreement to the "Century Agreement" is reached.
56. Referencing Big Rivers' response to KIUC 1-57 regarding ACES fees, please provide the following:
- Verify that the ACES fees being paid under the Century Agreement have been credited in the Revenue Requirements for this rate application and describe where this is shown in the filing or in other information provided.
 - What amount of annual costs for ACES fees is included in the forecasted test period and where are those costs shown?
 - Assuming that the Century Sebree smelter enters into an agreement similar to the "Century Agreement," how much of the ACES fee in the forecasted test period would be paid by Century Sebree?
57. Referencing Big Rivers' response to KIUC 1-59(c), please provide the fuel forecasts from J.D. Energy, Argus Coal Daily, Platts Coal Trader and Outlook, and ACES/Wood Mackenzie as well as the market information for coal from independent coal companies bid solicitations used in developing the market price forecasts used in the PCM.
58. Referencing Big Rivers' response to PSC 2-14 and the Reid Steam unit, please provide the following information:
- Explain why VOM, Heat Rate, Fuel Costs, generation, etc. are [REDACTED] on the Annual and Monthly [REDACTED]

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Resource Report tabs of the Big Rivers PCM Run 4-22-13 (2013-2017) spreadsheet.

- b. Explain all work completed, or remaining to be completed, as well as completion or expected completion dates for conversion of the unit entirely to natural gas.
 - c. Provide a detailed breakdown of all costs incurred, when they have been incurred or are expected to be incurred to convert the unit to natural gas.
59. BREC's response to AG 1-82 states: "In designing its rates and planning for its operations after Century's and/or Alcan's termination, Big Rivers planned for long-term success and developed an operational strategy likely to produce long-term benefits to its members and their member-owners. To address the long-term interests of its members, Big Rivers researched and developed its mitigation plan over the past several years to help mitigate the adverse financial consequences of potential smelter closure."
- a. Provide all net present value and/or discounted cash flow analyses performed by or for Big Rivers to inform its choices in "developing an operational strategy."
 - b. Provide all net present value and/or discounted cash flow analyses performed by or for Big Rivers that estimates or quantifies the expected "long-term benefits to its member and their member-owners."
 - c. Provide all net present value and/or discounted cash flow analyses performed by or for Big Rivers associated with its choice to "lay up:"
 - i. The Wilson Plant; and,
 - ii. The Coleman Plant.
 - d. Provide documents which show and explain the basis for any "discount rate" used in the above net present value and/or discounted cash flow analyses.
 - e. Provide annual cash outlays associated with the Wilson Plant beginning with the layup of the plant in 2013 through the entire layup period for:

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- i. All layup costs (capital and expense), including severance;
 - ii. Ongoing capital items and expenses while in layup, including FDE and maintenance, property taxes, insurance, etc.;
 - iii. Capital and expense costs of restarting the plant to bring it out of "layup";
 - iv. Budgeted or expected maintenance and capital investment to meet pollution control and other environmental mandates;
 - v. Allocated interest costs; and,
 - vi. Any other cash expenditures Big Rivers believes to be relevant to the operation of the Wilson Plant.
 - vii. Identify which of the above costs have been included in this rate case, and provide worksheet and cell reference to those amounts in the Financial Model.
 - viii. Identify which of the above costs have not been included in this rate case.
- f. Provide annual cash net margins associated with the operation of the Wilson Plant from the time it is brought out of "layup" into operating status, through 2027 (or beyond if available), and any other net cash inflows Big Rivers believes to be relevant to the operation of the Wilson Plant.
- g. Provide annual cash outlays associated with the Coleman Plant beginning with the layup of the plant in 2014 through the entire layup period for:
- i. All layup costs (capital and expense), including severance;
 - ii. Ongoing capital items and expenses while in layup, including FDE and maintenance, property taxes, insurance, etc.;
 - iii. Capital and expense costs of restarting the plant to bring it out of "layup";
 - iv. Budgeted or expected maintenance and capital investment to meet pollution control and other environmental mandates;

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- v. Allocated interest costs; and,
 - vi. Any other cash expenditures Big Rivers believes to be relevant to the operation of the Coleman Plant.
 - vii. Identify which of the above costs have been included in this rate case, and provide worksheet and cell reference to those amounts in the Financial Model.
 - viii. Identify which of the above costs have not been included in this rate case.
 - h. Provide annual cash net margins associated with the operation of the Coleman Plant from the time it is brought out of "layup" into operating status, through 2027 (or beyond if available), and any other net cash inflows Big Rivers believes to be relevant to the operation of the Coleman Plant.
60. Identify each approval or other condition arising out of its Indenture and/or other agreements related to debt funding that must be satisfied by Big Rivers associated with sale of a generating unit.
61. Assume net proceeds from sale of a generating unit. What is the required disposition of net proceeds from such sale under Big Rivers' Indenture and/or other agreements related to its debt funding?
62. Confirm that BREC's response to AG 1-170 states BREC uses Hyperion to generate budget files for use as source documents for the Financial Model.
- a. Identify each Oracle Hyperion product that BREC uses, e.g., Oracle Hyperion Planning.
 - b. Provide in electronic spreadsheet readable file format the financial, operating and other inputs to the "Hyperion Budget Model" (Financial Model Overview, Response to AG 1-155, page 5) which were used to generate the "Budget Model Outputs" reflected in the files provided in response to PSC 1-57: '2014 ALCAN.xlsx', '2015 ALCAN.xlsx', and '2016 ALCAN.xlsx'.
63. BREC's response to AG 1-105(f) and AG 1-106(f) shows the Wilson and Coleman costs will continue to be incurred and included in the cost of service (and not treated as cost savings and not removed from the revenue requirement), including

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depreciation expense, property tax, property insurance, interest expense, fixed department expense, and labor/labor overhead. Address the following:

- a. Explain if the expenses provided at AG 1-105(f) and 106(f) are per the forecasted test period in this rate case, and if not, then provide such amounts for the forecasted test period in this rate case and the forecasted test period in the prior rate case (Case No. 00535), and explain the reasons for changes between these costs between the two forecasted test periods.
 - b. Regarding the costs in subpart (a), provide a citation to the Financial Model worksheet and row reference in the current and prior rate case and provide all documentation and supporting calculations for these amounts.
 - c. Explain why Fixed Department Expenses for the idling of Wilson (and due to Century exit) were treated as a cost savings and removed from the revenue requirement in the prior rate case (Case No. 00535) at Exhibit Berry-4, but these same expenses are included in the revenue requirement in this rate case and are not removed from the revenue requirement.
64. BREC's response to PSC 2-25 (line 17) appears to give the impression that severance costs are included in the test period; however, the response to AG 1-55 gives the impression that severance costs were not included in the test period, and AG 1-246 states that \$76,667 of severance expense is included in the forecasted test period. Please confirm which is accurate and provide all supporting documentation and calculations.
- a. Explain if the Board of Directors has approved severance pay for the forecasted test period and provide copies of related minutes and all calculations.
 - b. Explain if BREC has discussed or negotiated severance costs with the labor union and explain if severance costs in this rate case are based on those negotiations. Provide copies of all correspondence and documentation related to severance calculations.
 - c. Explain how BREC determined the amount of severance costs and provide all supporting documentation and calculations.

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65. Regarding BREC's response to AG 1-126 regarding ACES costs included in the forecasted test period, address the following:
- a. Provide copies of the hourly billing rates included in charges to BREC for FY's 2011, 2012 and 2013 (most recent billing rate) and provide copies of sample invoices that show the billing rates.
 - b. If hourly billing rates cannot be determined, provide the average billing rates for the periods in subpart (a), and provide related supporting documentation and calculations.
 - c. Explain if the 3% increase in ACES costs for the forecasted test period is intended to reflect increased billing hours, increased billing rates, or other increases in ACES costs, and provide related supporting documentation and calculations.
66. As a follow-up to BREC's response to AG 1-135, explain how forecasted property tax (ad valorem expense), property insurance, and accumulated deferred income tax reserve are calculated in this rate case if not based in part on forecasted capital expenditures for the related periods. Provide all supporting documentation and calculations.
67. BREC's response to AG 1-173(a) states that for a substantial portion of O&M costs, outside professional costs, and other A&G expenses - - the Company uses vendor proposals, price quotes, and existing contracts to established forecasted costs Address the following:
- a. For each of the 10 largest individual line item costs included in the forecasted test period for O&M, outside professional costs, and A&G expenses - - provide copies of vendor proposals, price quotes, and existing contracts to support these forecasted costs.
 - b. For outside professional costs related to legal/attorney fees included in the forecasted test period - - provide vendor proposals, price quotes, and existing contracts for the 10 largest individual legal/attorney fees.
 - c. Provide vendor proposals, price quotes, and existing contracts for all legal/attorney fees included in the forecasted test period for rate case expense

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amortized from the prior rate case (Case No. 00535) and for additional/new legal costs related to this rate case (Case No. 00199).

68. As a follow-up to AG 1-179, provide documentation (and copies of correspondence that BREC has had with bondholders/rating agencies) to show that bondholders/rating agencies have used the 25 G&Ts as a peer group for making comparisons for financial performance, or that they would rely on these G&Ts for their TIERS and MFIRs.
69. Explain how often BREC updates its Financial Model to reflect updated/new assumptions, new vendor quotes/contracts, other inputs, and to update assumptions based on the changes in "actual" costs. Explain if this decision to reflect new/updated information is entirely subject to BREC's discretion and decision-making or explain if there is a written policy that requires such periodic updates (and provide a copy of this policy).
70. BREC's response to AG 1-237(e) and (f) only vaguely addresses in a one sentence response the reason for changes in payroll costs from 2011 to 2012, but BREC never addresses the change in payroll costs for other periods as requested and never provides other information that was requested. Address the following:
 - a. Regarding the \$13.4 million increase in total payroll costs (from \$25.1 m for forecast base period ending September 30, 2013 to \$38.5 m for forecast test period ending January 31, 2015, and related payroll expensed and capitalized) for which BREC did not explain or provide supporting documentation or calculations, explain if BREC's "non-response" is an indication that BREC does not have any explanation or supporting documentation or calculations for this significant change in payroll costs. Otherwise provide the supporting documentation and calculations as previously requested for all payroll periods.
 - b. Show the amount of increase in payroll costs from the forecasted base period September 30, 2013 to the forecasted test period ending January 31, 2015, for each specific component or item that caused payroll to increase by at least \$250,000 between these two periods, including changes due to increased/new hires, annual payroll cost-of-living increases, merit increases, incentive increases, non-recurring costs, severance pay, overtime, and all other changes in cost.

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- c. Address subpart (a) and (b) also for BREC's response to AG 1-238, and separately address this information for "exempt" and "non-exempt" labor.
 - d. Explain why BREC did not provide the information requested in this data request and related schedules for payroll compensation by each specific component (long-term incentives, bonuses, annual pay increases, etc.) for each of the periods requested in the prior and current rate case.
71. BREC's response to AG 1-239 (f) only vaguely addresses in a one sentence response the reason for changes in Officer payroll costs, although it does not explain for which period this change relates to because BREC also did not provide Officer payroll costs for each of the current and prior rate case periods requested and did not provide information for all employees requested. Address the following:
- a. AG Schedule 2 attached to this data request for completion was not used by BREC and BREC did not provide any of the requested payroll information for Mr. Crocket, Ms. Barron, Mr. Haner, Mr. Williams, Ms. Speed, and all other management employees performing some or all duties of prior Officer positions - - including Vice Presidents, Presidents, and other high level positions which have not filled. Provide this requested payroll information for all periods requested and for each payroll component requested.
 - b. BREC's response did not provide any Officer/employee payroll information for the forecasted test period in this rate case (and for other periods requested). Provide this information for the Officers/employees listed in subpart (a) above.
 - c. BREC's response to AG 1-239(i) states that no Officer positions remain unfilled. Please provide a list of unfilled positions for President, Vice President, and employees which were performing some or all duties of these positions, and other high level positions. Provide these payroll costs that were included in the base period and forecasted test period of the current rate case and the prior rate case, and provide related supporting documentation and calculations. Explain when all unfilled positions were originally vacated and when they will be filled, and provide documentation to show when these positions will be filled.
 - d. Explain why BREC did not provide the information requested in this data request and related schedules for officers and other employees for each

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specific component (long-term incentives, bonuses, annual pay increases, etc.) for each of the periods requested in the prior and current rate case.

72. BREC's response to AG 1-239 did not provide payroll information for the Officers, rate case witnesses, and for employees performing duties in part for unfilled Officer positions for prior periods 2008 to 2010 as requested. However, upon cross-examination in Case No. 00535, Mr. Haner admitted that W-2 tax records existed for employees for these periods. Provide the W-2 tax records payroll information for all current and prior Officers from 2008 to 2010, including Mr. Bailey, Mr. Berry, and Mr. Blackburn.
73. Address the following regarding the in-house Regulatory Affairs Manager, who is in part responsible for helping to control rate case expense fees by performing tasks such as ensuring filing compliance and performing document production in-house (Speed Rebuttal testimony in Case No. 00535, p. 8).
- a. Provide the name of the person that fills the Regulatory Affairs Manager position and identify the date this position was filled, otherwise explain when this position was vacated and explain any plans to fill this position.
 - b. Provide the amount Regulatory Affairs Manager payroll costs included in the forecasted test period of the current and prior rate case, and explain why these costs should be included in the rate case if the position has not been filled.
 - c. Provide the name of the person and position that performs the duties previously performed by the Regulatory Affairs Manager and identify all duties performed along with the written job description for this position.
 - d. For the three most recent rate cases, provide a list of all issues of "non-compliance" and examples of "cost-control" measures that were utilized by this position in reviewing rate case expenses of outside professionals, and provide copies of all correspondence with related outside professionals regarding these matters.
74. As a follow-up to the Compensation Study at AG 1-245, address the following:
- a. Provide a specific citation to pages in the Confidential Compensation Study Attachment which explains, supports, documents, and shows: the amount of

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- pay increase of 2.6%; the ten individuals receiving a grade reassignment for their position; and all increases in pay levels for Officer positions, Vice Present positions, and all BREC rate case witnesses (in this rate case) for the FYs 2010, 2011, 2012, the base period, and the forecasted test period. Provide all additional supporting documentation and calculations to show how BREC payroll increases were determined based on information from the compensation studies and surveys.
- b. Provide copies of all compensation studies that justified increases in Officer positions and Vice President positions for the periods 2007 through 2009, and provide a citation to specific pages in these studies that explained, supported, documented, and showed the amount of pay increases implemented. Provide all additional supporting documentation and calculations to show how BREC payroll increases were determined based on information from the compensation studies and surveys.
75. Provide a list of all new or pending outside professional firms (legal and non-legal) that will be assisting with this rate case and provide copies of contracts and engagement letters and documentation supporting rate case and non-rate case related costs, along with a description of services to be performed.
76. Regarding the response to PSC 1-54, Attachment PSC 1-54b, page 5 of 5, provide the specific names of witnesses and services to be provided for amounts provided at this schedule.
77. BREC's response to AG 1-276 states that it will incur MISO capacity charges in this rate case which were not incurred in the last rate case. Provide the amount of MISO costs by account number and for each month of the base period (show actual and forecasted amounts) and the forecasted test period, provide a reconciliation to MISO amounts addressed in BREC's response to AG 1-125, and provide copies of contracts, invoices, and other documents that support the MISO costs included in the forecasted test period.
78. Regarding BREC's response to AG 1-280, provide the FAC amounts for all periods identified in this data request, but show separate amounts for Wilson and Coleman.
79. Regarding BREC's response to AG 1-281, provide the Environmental Surcharge revenue and expense amounts for all periods identified in this data request, but show separate amounts for Wilson and Coleman.

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80. In Docket 2012-00535 Big Rivers provided Coincident Peak forecasts and 12CP allocations for the Century Hawesville (Century at that time) and the Century Sebree (Alcan at that time) smelters in response to AG 1-234. Given that the assumed peak load of the Hawesville and Sebree smelters were 482 MW and 368 MW the 12 CP kW-month allocators were 5,784,000 and 4,416,000 respectively (peak load multiplied by 12 month/year and 1000 kW/MW). In response to SC 1-12, Big Rivers has Stated that the July 1, 2013 MISO rate for transmission service is \$15,586.7989/MW-year and therefore Big Rivers would expect to receive \$7,512,837/year from Century Hawesville for a 482 MW peak load.

- a. Is this correct?
- b. Would the corresponding amount for transmission revenue from Century Sebree, (Alcan) if operations continue at current levels under an agreement similar to the "Century Agreement" (the subject of Case No. 2013-00221), be \$5,735,942/year (368 MW at \$15,586.7989/MW-year)?
- c. If the answer to b is no, please provide the amount Big Rivers would estimate as well as the calculations involved in deriving that amount.
- d. Confirm that none of these revenues are included in this filing. If such revenues are in fact included, state the amounts.
- e. Confirm the demand allocators listed above are correct based on current smelter operations.
 - i. If not, what are the allocators Big Rivers believes are correct? Please provide all assumptions and equations used to derive these allocators.

81. In Docket 2012-00535 Big Rivers provided Coincident Peak forecasts and 12CP allocations for the Century Hawesville and the Century Sebree smelters in response to AG 1-234. Given that the assumed peak load of the Hawesville and Sebree smelters were 482 MW and 368 MW, the 12 CP kW-month allocators were 5,784,000 and 4,416,000 respectively (peak load multiplied by 12 month/year and 1000 kW/MW). Referencing Big Rivers' response to PSC 2-33 please provide the following information:

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- a. Please verify that Big Rivers agrees with the following table based on the filed testimony of Wolfram and the response to PSC 2-33, and if Big Rivers does not agree provide any modifications as well as the reason for the modifications:

	Source	Rurals	Industrials	Total
Transmission Revenue Requirement	PSC 2-33	\$25,946,205	\$6,815,997	\$32,762,202
Transmission Revenue Demand Allocators (12CP) in kW-mo	Wolfram-4 page 13 of 14	5,128,900	1,347,348	6,476,248

- b. Assuming the preceding table is correct, see the following Table assuming Century Hawesville and Century Sebree smelters continue to operate at current levels. If Big Rivers disagrees with any of the assumed demand allocations in the table please provide an explanation and corrections:

	Source	Century Hawesville	Century Sebree	Rurals	Industrials	Total
Transmission Revenue Requirement	PSC 2-33	\$11,363,262	\$8,675,686	\$10,076,251	\$2,647,004	\$32,762,202
Transmission Revenue Demand Allocators (12CP) in kW-mo	Wolfram-4 page 13 of 14, 2012-00535 AG 1-234, and SC 1-12	5,784,000	4,416,000	5,128,900	1,347,348	16,676,248

- i. Please explain why Big Rivers' allocations would assume that Century Hawesville and Century Sebree are allocated \$11,363,262 and \$8,675,686, respectively, while under the MISO tariff Century Hawesville and Century Sebree will only pay Big Rivers transmission revenue of \$7,512,837/year and \$5,735,942/year, respectively, under the MISO tariff.

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Please explain if Big Rivers will recover any of the difference under any other MISO charges to Century Hawesville and Century Sebree.

- ii. To the extent that Big Rivers disagrees with the table above, please provide Big Rivers' corrections and calculations of the allocation of transmission revenue among Century Hawesville, Century Sebree, the Rurals and the Industrial customers in a similar format assuming that both smelters would continue to operate under Big Rivers' tariffs.
 - iii. Is the difference between revenue generated by MISO transmission charges and transmission costs that would have been allocated to the smelters under the table above, costs that are stranded by the smelters bypassing Big Rivers generation supply?
- c. Please explain why the transmission revenue requirements have increased dramatically in the filed case to \$32,762,202 from the amount of \$31,508,389 in Case 2012-00535 filed only 6 months earlier. This represents an annual increase of about 8%.
- i. Does Big Rivers anticipate transmission revenue requirements will continue to increase at this rate?
 - ii. Provide Big Rivers anticipated transmission revenue requirements for the years 2013 through 2027.
82. Reference the company's attachment to its response to KIUC 1-92, pp. 44-128 of 156. Explain why BREC had to "...push the Load Recovery from 2016 to 2018" (quote on p. 49).
- a. Reference p. 54. Explain the nature of the "replacement load" identified therein. Why is the nature of the projected load unknown? Explain why a 75% load factor was assumed. Provide copies of all documents supporting these projections and calculations, including workpapers.
 - b. Reference p. 62. Explain to what extent BREC's load forecast depends on projections of: (i) personal income; and (ii) number of households.
 - c. Provide copies of the sources upon which BREC and/or its consultants relied in deriving estimates of personal income and number of households.

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- d. Reference p. 70. Confirm whether BREC and/or its consultants, in developing its load forecasts, utilized the documents relating to price elasticity referenced in Mr. Hutts' e-mail dated March 19, 2013. If so, explain how they were so utilized. If not, explain why not.
 - e. Reference p. 128. Explain why BREC's members requested that BREC "'feather[]' the impact of the two increases over a three year period."
 - f. Reference p. 128. Confirm that BREC's load forecast utilized in Case No. 2013-00199 does not take into consideration the loss of residential and commercial load that will occur in Jackson Purchase's service territory due to the imminent closing of the Paducah Gaseous Diffusion Plant ("PGDP") [referred to as "USEC" in this document].
 - g. Reference p. 44. Confirm that Ms. Barron's e-mail dated March 18, 2013 states, in pertinent part: "...The year over year increase shown here...also takes into account the year-over-year increases in riders. This is the appropriate information to use because it is what the customer will experience...."
83. Provide the latest load forecast for Jackson Purchase RECC.
84. Discuss the impact that the loss of the PGDP will have on BREC.
- a. Provide any and all documents discussing any projected or known impacts.
85. Discuss the impact that the loss of the PGDP will have on Jackson Purchase. Include in your discussion loss of other employers who provide(d) services to the PGDP, and state whether Jackson Purchase supplied their load, or whether TVA's RECCs did.
- a. Provide any and all documents discussing any projected or known impacts.
 - b. To the extent known, how many of the employees of PGDP and additional employers who provided services to PGDP are served by Jackson Purchase?
 - c. Provide copies of any estimates showing the impact of the PGDP's closure on commercial establishments, especially after employees who have lost their

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jobs as a result of the facility's closing leave the Jackson Purchase service territory.

86. Reference the response to KIUC 1-36. Confirm that Century has asked BREC to propose a cost reimbursement agreement regarding the Sebree smelter.
87. Please reference the responses to AG 1-209 (d) and KIUC 1-36. Will the company commit to notifying the Commission and the parties if the company should receive transmission revenues based on the Century agreements as approved in Case No. 2013-00221, and/or if BREC should receive any transmission revenues from any potential similar agreements pertaining to the operation of the Century-Sebree smelter? If not, why not? Explain in complete detail.
88. Reference the response to AG 1-190. Provide the document requested, or alternatively, explain why Mr. Walker's direct testimony regarding this document should not be stricken from the record.
89. Confirm that BREC's ratepayers, pursuant to the agreement reached and approved in Case No. 2013-00221, will remain responsible for depreciation of the Coleman plant.
90. Reference the company's response to AG 1-260. The company provided multiple objections in the main body of its response, and provided a partially substantive response to subpart (a). However, with regard to all remaining subparts, (b) through (l), the company responded only, "see objection and subpart (a), above." Specify which objection(s) apply to each particular subpart, including the nature of any applicable privilege that the company believes attaches to each individual subpart.