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CLUB**
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October 30, 2013

Via Personal Delivery

Mr. Jeff Derouen, Executive Director
Case No. 2013-00199
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Case No. 2013-00199 Corrections to Public Version of Direct Testimony of
Frank Ackerman on Behalf of Sierra Club

Dear Mr. Derouen,

On October 29, 2013, Sierra Club inadvertently filed a public version of Frank Ackerman's Direct Testimony that contained information that is subject to a petition for confidential treatment filed by James Miller and Tyson Kamuf, Counsel for Big Rivers Electric Corporation. Enclosed, please find one original and ten (10) copies of the corrected version of page 6 of the Direct Testimony of Frank Ackerman on Behalf of Sierra Club. Please replace these pages from the public record with this updated, redacted version.

Sincerely,

Kristin A. Henry
Senior Attorney
Sierra Club
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OCT 31 2013
PUBLIC SERVICE
COMMISSION

1 [REDACTED] arguably
2 BREC could lower the prices could even further to reflect the avoided fixed costs
3 of plant ownership. If no one offers to buy the plants at these greatly reduced
4 prices, then BREC's plan to idle but preserve the plants is not adequate; to
5 minimize revenue requirements and rate impacts, it is time to plan the shutdown
6 of Wilson and Coleman. The Commission should design BREC's recovery of the
7 stranded assets to provide the minimum necessary to pay its outstanding debts,
8 without increasing burdens on its ratepayers.

9 **3. PROJECTIONS OF LOAD GROWTH AND OFF-SYSTEM SALES ARE UNREALISTIC.**
10

11

12 **Q. Please describe the projections of load growth used by BREC in this case.**

13 **A.** Big Rivers now projects that after idling the Wilson and Coleman plants for
14 approximately five years, it will have sufficient sales to bring them back on line,
15 at relatively high capacity factors, in May 2018 and July 2019, respectively. The
16 resulting picture of load by customer class is shown in Figure 1.² The graph
17 begins in 2012, the last full year of BREC sales to both smelters; it continues
18 through the 2014-2017 trough, reflecting the loss of the smelter load, and then

19 [REDACTED]

² Based on sales data from the spreadsheet "Financial Forecast (2014-2027) 5-16-2013", tab "Stmts RUS."