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November 25, 2013

**Via FedEx Overnight Delivery**

Mr. Jeff Derouen  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

RECEIVED  
NOV 26 2013  
PUBLIC SERVICE  
COMMISSION

*In the Matter of:*

Application of Big Rivers Electric Corporation for a General Adjustment  
in Rates – Case No. 2013-00199

Dear Mr. Derouen:

Big Rivers Electric Corporation (“Big Rivers”) hereby files an original and ten (10) copies of the following in the aforementioned docket:

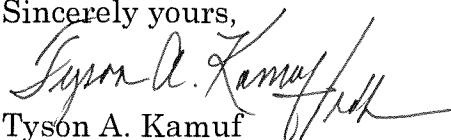
1. Fifth Update to Tab 35 of Big Rivers Application filed June 28, 2013;
2. Fifth Update to its responses to Item 43 and Item 54 of the Commission Staff’s Initial Request for Information dated June 10, 2013;
3. Second Update to its response to Item 3 of the Commission Staff’s Third Request for Information dated September 16, 2013.

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

I certify that on this date, a copy of this letter and a copy of the updated responses were served on each of the persons on the attached service list by overnight express delivery.

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

Sincerely yours,

  
Tyson A. Kamuf

C: Billie Richert  
DeAnna Speed

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**BIG RIVERS ELECTRIC CORPORATION**

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


**VERIFICATION**

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

  
Billie J. Richert

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON )

SUBSCRIBED AND SWORN TO before me by Billie J. Richert on this  
the 20 day of November, 2013.

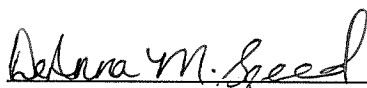
  
Notary Public, Ky. State at Large  
My Commission Expires 8-8-2016

**BIG RIVERS ELECTRIC CORPORATION**

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

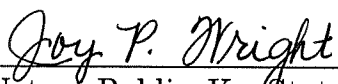
**VERIFICATION**

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

  
\_\_\_\_\_  
DeAnna M. Speed

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON )


SUBSCRIBED AND SWORN TO before me by DeAnna M. Speed on this  
the 20 day of November, 2013.

  
\_\_\_\_\_  
Notary Public, Ky. State at Large  
My Commission Expires \_\_\_\_\_

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

ORIGINAL



Your Touchstone Energy® Cooperative 

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

APPLICATION OF BIG RIVERS )  
ELECTRIC CORPORATION FOR A ) Case No. 2012-00535  
GENERAL ADJUST IN RATES )

*Fifth Updated* Response to the Big Rivers Application  
Tab 35 originally filed June 28, 2013

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

*Second Updated* Response to the Commission Staff's  
Third Request for Information dated September 16, 2013

FILED: November 26, 2013

ORIGINAL

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

Tab No. 35 – July 12, 2013

First Update Tab No. 35 – July 24, 2013

Second Update Tab No. 35 – August 21, 2013

Third Update Tab No. 35 – September 20, 2013

Fourth Update Tab No. 35 – October 22, 2013

Fifth Update Tab No. 35 – November 26, 2013

Filing Requirement

807 KAR 5:001 Section 16(12)(o)

Sponsoring Witness: Billie J. Richert

**Description of Filing Requirement:**

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

**Response:**

Attached hereto are the monthly variance reports for August 2013 and September 2013. With its application filed on June 28, 2013, Big Rivers provided monthly variance reports, with narrative explanations, for October 2011 through March, 2013. The April 2013 report was filed with the First Update on July 24, 2013. The May 2013 report was filed with the Second Update on August 22, 2013. The June 2013 report was filed with the Third Update on September 20, 2013. The

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

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Tab No. 35 – July 12, 2013  
First Update Tab No. 35 – July 24, 2013  
Second Update Tab No. 35 – August 21, 2013  
Third Update Tab No. 35 – September 20, 2013  
Fourth Update Tab No. 35 – October 22, 2013  
Fifth Update Tab No. 35 – November 26, 2013  
Filing Requirement  
807 KAR 5:001 Section 16(12)(o)  
Sponsoring Witness: Billie J. Richert


**Response (continued):**

13           July 2013 report was filed with the Fourth Update on  
14           October 22, 2103.



# **Monthly Variance Report – August 2013**



Your Touchstone Energy® Cooperative 

**Financial Report**  
**August 2013**  
**(\$ in Thousands)**

**Board Meeting Date: October 18, 2013**



## Summary of Statement of Operations YTD – August

	2013			2012	
	Actual	Budget	Fav/(UnFav) Variance	Actual	Fav/(UnFav) Variance
Revenues	403,814	386,840	16,974	376,427	27,387
Cost of Electric Service	385,005	386,218	1,213	370,652	(14,353)
Operating Margins	18,809	622	18,187	5,775	13,034
Interest Income/Other	2,081	2,624	(543)	115	1,966
<b>Net Margins - YTD</b>	<b>20,890</b>	<b>3,246</b>	<b>17,644</b>	<b>5,890</b>	<b>15,000</b>
<i>September Net Margins – YTD</i>	<i>25,684</i>	<i>3,100</i>	<i>22,584</i>	<i>8,126</i>	<i>17,558</i>



Your TruShare Energy<sup>®</sup> Cooperative

## Statement of Operations – August Variance to Budget

	Current Month			Year-to-Date			Explanation
	Actual	Budget	Variance Fav/(UnFav)	Actual	Budget	Variance Fav/(UnFav)	
ELECTRIC ENERGY REVENUES	49,382	50,011	(629)	400,287	384,374	15,913	[A] Pages 7, 9-13, 16-21
OTHER OPERATING REVENUE AND INCOME	1,074	307	767	3,527	2,466	1,061	[B] Page 22
<b>TOTAL OPER REVENUES &amp; PATRONAGE CAPITAL</b>	<b>50,456</b>	<b>50,318</b>	<b>138</b>	<b>403,814</b>	<b>386,840</b>	<b>16,974</b>	
OPERATION EXPENSE-PRODUCTION-EXCL FUEL	3,966	4,528	562	33,854	36,986	3,132	[A] Pages 8, 14-15, 23
OPERATION EXPENSE-PRODUCTION-FUEL	17,600	21,580	3,980	159,324	168,125	8,801	[A] Pages 8, 14-15
OPERATION EXPENSE-OTHER POWER SUPPLY	11,080	7,075	(4,005)	79,476	60,480	(18,996)	[A] Pages 8, 14-15, 23
OPERATION EXPENSE-TRANSMISSION	832	792	(40)	7,490	6,212	(1,278)	[B] Page 24
OPERATION EXPENSE-RTO/ISO	170	197	27	1,675	1,538	(137)	
OPERATION EXPENSE-CUSTOMER ACCOUNTS	0	0	0	132	0	(132)	
CONSUMER SERVICE & INFORMATIONAL EXPENSE	104	85	(19)	543	943	400	[B] Page 25
OPERATION EXPENSE-SALES	4	8	4	28	86	58	
OPERATION EXPENSE-ADMINISTRATIVE & GENERAL	2,601	2,313	(288)	17,248	19,473	2,225	[B] & [C] Page 26
<b>TOTAL OPERATION EXPENSE</b>	<b>36,357</b>	<b>36,578</b>	<b>221</b>	<b>299,770</b>	<b>293,843</b>	<b>(5,927)</b>	
MAINTENANCE EXPENSE-PRODUCTION	2,966	3,271	305	24,558	30,256	5,698	[B] & [C] Page 27
MAINTENANCE EXPENSE-TRANSMISSION	474	452	(22)	2,941	3,510	569	[B] Page 28
MAINTENANCE EXPENSE-GENERAL PLANT	19	18	(1)	171	144	(27)	
<b>TOTAL MAINTENANCE EXPENSE</b>	<b>3,459</b>	<b>3,741</b>	<b>282</b>	<b>27,670</b>	<b>33,910</b>	<b>6,240</b>	
DEPRECIATION & AMORTIZATION EXPENSE	3,429	3,493	64	27,434	27,706	272	
TAXES	0	0	0	2	1	(1)	
INTEREST ON LONG-TERM DEBT	3,601	3,936	335	29,287	30,680	1,393	
INTEREST CHARGED TO CONSTRUCTION-CREDIT	(3)	(40)	(37)	(206)	(297)	(91)	
OTHER INTEREST EXPENSE	0	0	0	0	0	0	
OTHER DEDUCTIONS	47	44	(3)	1,048	375	(673)	[B] Page 29
<b>TOTAL COST OF ELECTRIC SERVICE</b>	<b>46,890</b>	<b>47,752</b>	<b>862</b>	<b>385,005</b>	<b>386,218</b>	<b>1,213</b>	
<b>OPERATING MARGINS</b>	<b>3,566</b>	<b>2,566</b>	<b>1,000</b>	<b>18,809</b>	<b>622</b>	<b>18,187</b>	
INTEREST INCOME	155	168	(13)	1,298	1,353	(55)	
ALLOWANCE FOR FUNDS USED DURING CONST	0	0	0	0	0	0	
OTHER NON-OPERATING INCOME - NET	0	0	0	0	0	0	
OTHER CAPITAL CREDITS & PAT DIVIDENDS	0	8	(8)	783	1,271	(488)	[B] Page 30
EXTRAORDINARY ITEMS	0	0	0	0	0	0	
<b>NET PATRONAGE CAPITAL OR MARGINS</b>	<b>3,721</b>	<b>2,742</b>	<b>979</b>	<b>20,890</b>	<b>3,246</b>	<b>17,644</b>	

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



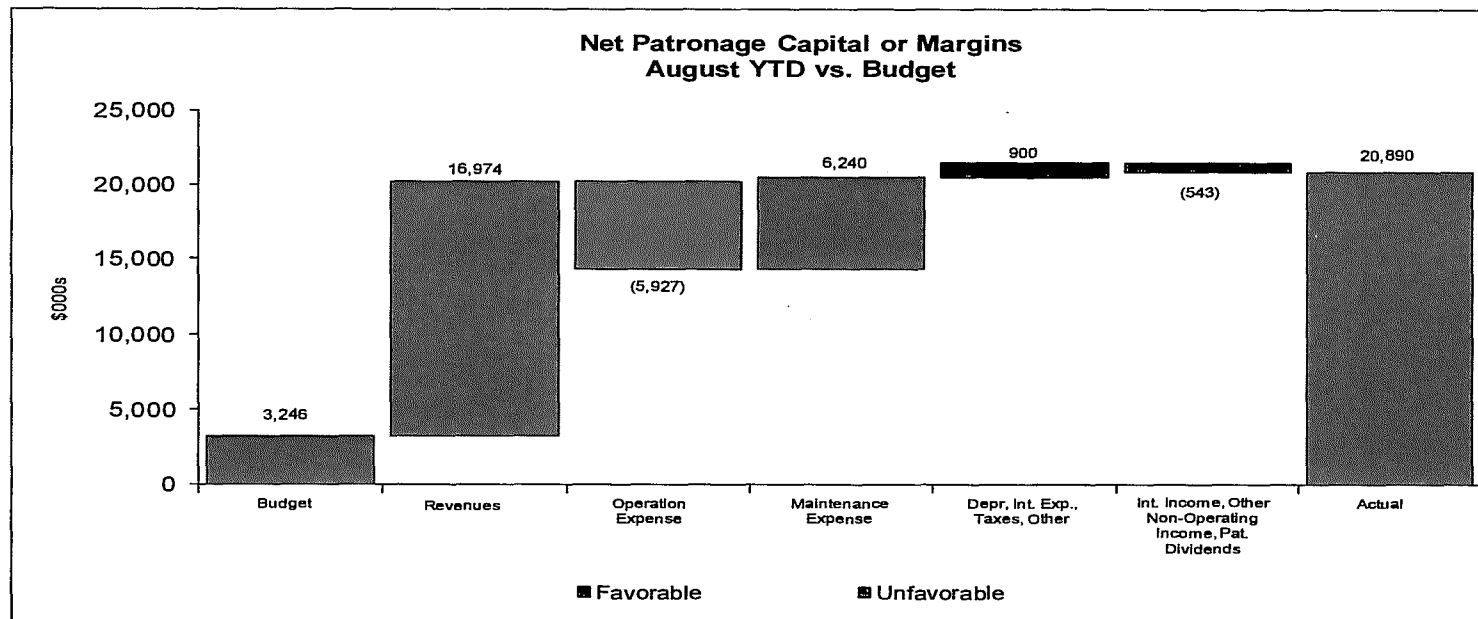
Your Touchstone Energy Cooperative

## Statement of Operations – August Variance to Prior-Year

	Current Month			Year-to-Date			Explanation
	Actual	Prior Year	Variance Fav/(UnFav)	Actual	Prior Year	Variance Fav/(UnFav)	
ELECTRIC ENERGY REVENUES	49,382	48,521	861	400,287	372,919	27,368	[A] Pages 7, 9-13, 16-21
OTHER OPERATING REVENUE AND INCOME	1,074	532	542	3,527	3,508	19	
<b>TOTAL OPER REVENUES &amp; PATRONAGE CAPITAL</b>	<b>50,456</b>	<b>49,053</b>	<b>1,403</b>	<b>403,814</b>	<b>376,427</b>	<b>27,387</b>	
OPERATION EXPENSE-PRODUCTION-EXCL FUEL	3,966	4,332	366	33,854	32,354	(1,500)	[A] Pages 8, 14-15, 23
OPERATION EXPENSE-PRODUCTION-FUEL	17,600	19,183	1,583	159,324	147,663	(11,661)	[A] Pages 8, 14-15
OPERATION EXPENSE-OTHER POWER SUPPLY	11,080	8,465	(2,615)	79,476	75,307	(4,169)	[A] Pages 8, 14-15, 23
OPERATION EXPENSE-TRANSMISSION	832	805	(27)	7,490	6,738	(752)	[B] & [C] Page 24
OPERATION EXPENSE-RTO/ISO	170	129	(41)	1,675	1,493	(182)	
OPERATION EXPENSE-CUSTOMER ACCOUNTS	0	0	0	132	0	(132)	
CONSUMER SERVICE & INFORMATIONAL EXPENSE	104	41	(63)	543	330	(213)	
OPERATION EXPENSE-SALES	4	71	67	28	97	69	
OPERATION EXPENSE-ADMINISTRATIVE & GENERAL	2,601	2,474	(127)	17,248	18,271	1,023	[C] Page 26
<b>TOTAL OPERATION EXPENSE</b>	<b>36,357</b>	<b>35,500</b>	<b>(857)</b>	<b>299,770</b>	<b>282,253</b>	<b>(17,517)</b>	
MAINTENANCE EXPENSE-PRODUCTION	2,966	4,097	1,131	24,558	27,872	3,314	[B] & [C] Page 27
MAINTENANCE EXPENSE-TRANSMISSION	474	614	140	2,941	3,398	457	[B] Page 28
MAINTENANCE EXPENSE-GENERAL PLANT	19	16	(3)	171	111	(60)	
<b>TOTAL MAINTENANCE EXPENSE</b>	<b>3,459</b>	<b>4,727</b>	<b>1,268</b>	<b>27,670</b>	<b>31,381</b>	<b>3,711</b>	
DEPRECIATION & AMORTIZATION EXPENSE	3,429	3,521	92	27,434	27,288	(146)	
TAXES	0	0	0	2	4	2	
INTEREST ON LONG-TERM DEBT	3,601	3,851	250	29,287	30,015	728	[C] Page 31
INTEREST CHARGED TO CONSTRUCTION-CREDIT	(3)	(65)	(62)	(206)	(508)	(302)	[B] Page 32
OTHER INTEREST EXPENSE	0	44	44	0	55	55	
OTHER DEDUCTIONS	47	25	(22)	1,048	164	(884)	[B] & [C] Page 29
<b>TOTAL COST OF ELECTRIC SERVICE</b>	<b>46,890</b>	<b>47,603</b>	<b>713</b>	<b>385,005</b>	<b>370,652</b>	<b>(14,353)</b>	
<b>OPERATING MARGINS</b>	<b>3,566</b>	<b>1,450</b>	<b>2,116</b>	<b>18,809</b>	<b>5,775</b>	<b>13,034</b>	
INTEREST INCOME	155	18	137	1,298	56	1,242	[B] & [C] Page 33
ALLOWANCE FOR FUNDS USED DURING CONST	0	0	0	0	0	0	
OTHER NON-OPERATING INCOME - NET	0	0	0	0	0	0	
OTHER CAPITAL CREDITS & PAT DIVIDENDS	0	14	(14)	783	59	724	[B] & [C] Page 30
EXTRAORDINARY ITEMS	0	0	0	0	0	0	
<b>NET PATRONAGE CAPITAL OR MARGINS</b>	<b>3,721</b>	<b>1,482</b>	<b>2,239</b>	<b>20,890</b>	<b>5,890</b>	<b>15,000</b>	

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

# Variance Analysis Summary

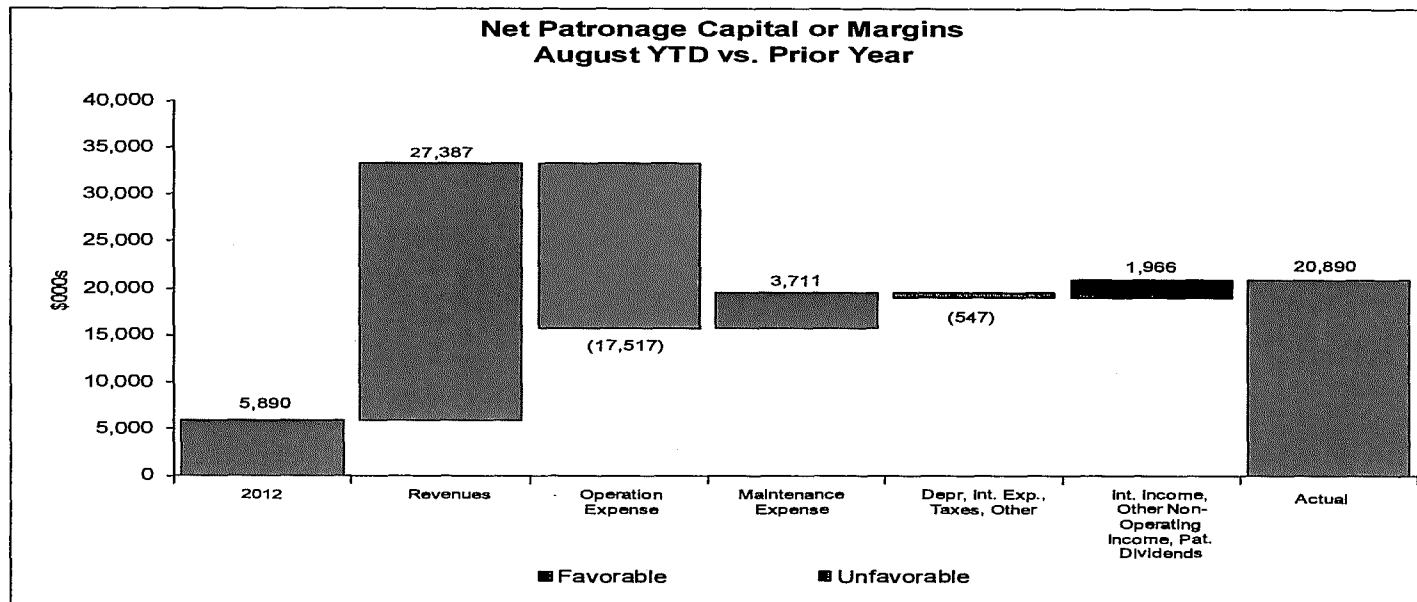


**Financial Commentary**

**Year-to-Date**

- August YTD 2013 Margins were \$17,644 favorable to budget.
  - Revenues were favorable \$16,974 primarily due to OSS volumes, as well as the \$1.4m retroactive rate adjustment per the January 29th PSC order (see pages 7, 9-13, 16-22).
  - Operation Expense was unfavorable \$5,927 driven by purchased power, while somewhat offset by fuel, reagent and non-variable operations (see page 8 & 23).
  - Maintenance Expense was favorable \$6,240 primarily due to the deferral of the Coleman outage (see pages 27 & 28).
  - Depreciation/Interest Expense/Other was favorable \$900 primarily due to interest savings on the paid-off 1983 pollution control bonds.
  - Interest Income/Patronage was unfavorable \$543 due to timing of the allocation of patronage capital from CFC (see page 30).

# Variance Analysis Summary



**Financial Commentary**

**Year-to-Date**

- August YTD 2013 margins were \$15,000 favorable compared to 2012.
  - Revenues were favorable \$27,387 largely due to volumes, most of which is from OSS (see pages 7, 9-13, 16-22).
  - Operation Expense was unfavorable \$17,517 – driven by higher fuel cost, mostly due to volume, partially offset by lower purchase power.
  - Maintenance Expense was favorable \$3,711 due to higher outage expenses in 2012, as well as deferral of the 2013 Coleman outage. (see page 27).
  - Depreciation/Interest Expense/Other was unfavorable \$547 primarily due to the write-off of deferred costs associated with the 1983 pollution control bonds, as well as the 2012 CoBank Revolver. (see page 29).
  - Interest Income/Patronage was favorable \$1,966 due to patronage capital as a result of the 2012 refinancing and the interest on the CFC capital term certificates (see pages 30 and 33).

## Revenue YTD August

	Actual 2013	Budget 2013	Variance	Actual 2012	2012 Variance
<b>MWh Sales</b>					
Rural	1,596,910	1,652,139	(55,229)	1,604,138	(7,228)
Large Industrial	680,593	631,445	49,148	647,996	32,597
Smelter	4,780,615	4,764,588	16,027	4,950,179	(169,564)
Off-System/Other	1,520,553	832,504	688,049	837,887	682,666
<b>Total</b>	<b>8,578,671</b>	<b>7,880,676</b>	<b>697,995</b>	<b>8,040,200</b>	<b>538,471</b>

	Actual 2013	Budget 2013	Variance	Actual 2012	2012 Variance
<b>Revenue - \$/MWh</b>					
Rural	53.73	53.64	0.09	50.51	3.22
Large Industrial	44.81	45.08	(0.27)	42.93	1.88
Smelter	49.23	50.37	(1.14)	48.56	0.67
Off-System/Other	31.98	32.77	(0.79)	28.27	3.71
<b>Total</b>	<b>46.66</b>	<b>48.77</b>	<b>(2.11)</b>	<b>46.38</b>	<b>0.28</b>

	Actual 2013	Budget 2013	Variance	Actual 2012	2012 Variance
<b>Revenue - Thousands of \$</b>					
Rural <sup>(1)</sup>	85,799	88,627	(2,828)	81,020	4,779
Large Industrial	30,495	28,465	2,030	27,821	2,674
Smelter	235,370	240,005	(4,635)	240,391	(5,021)
Off-System/Other	48,623	27,277	21,346	23,687	24,936
<b>Total</b>	<b>400,287</b>	<b>384,374</b>	<b>15,913</b>	<b>372,919</b>	<b>27,368</b>

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

### Revenue Price / Volume Analysis August 2013

	Price / Volume		
	Price	Volume	Total
Rural	135	(2,963)	(2,828)
Large Industrial	(186)	2,216	2,030
Smelter	(5,442)	807	(4,635)
Off-System/Other	(1,198)	22,544	21,346
	(6,691)	22,604	15,913



**Variable Operations Cost**  
**YTD August**

	Actual 2013	Budget 2013	Variance	Actual 2012	2012 Variance
<b>Variable Operations (VO) Cost - \$/MWh</b>					
Rural	26.04	27.11	1.07	25.83	(0.21)
Large Industrial	26.09	27.11	1.02	25.81	(0.28)
Smelter	26.93	27.90	0.97	26.56	(0.37)
Off-System/Other	26.47	27.59	1.12	26.04	(0.43)
<b>Total</b>	<b>26.61</b>	<b>27.64</b>	<b>1.03</b>	<b>26.30</b>	<b>(0.31)</b>

<b>VO Cost - Thousands of \$</b>					
Rural	41,583	44,787	3,204	41,433	(150)
Large Industrial	17,756	17,118	(638)	16,728	(1,028)
Smelter	128,731	132,916	4,185	131,484	2,753
Off-System/Other	40,243	22,970	(17,273)	21,817	(18,426)
<b>Total</b>	<b>228,313</b>	<b>217,791</b>	<b>(10,522)</b>	<b>211,462</b>	<b>(16,851)</b>

**YTD August 2013**  
**Variable Operations Expense**

	Actual	Budget	Fav/(UnFav)	Price Variance	Volume Variance	Fav/(UnFav)
				Fav/(UnFav)	Fav/(UnFav)	
Reagent	18,911	20,441	1,530	515	1,015	1,530
Fuel	177,053	187,346	10,293	6,639	3,654	10,293
Purchased Power	34,315	11,804	(22,511)	(77)	(22,434)	(22,511)
Non-FAC PPA (Non-Smelter)	(1,966)	(1,800)	166	171	(5)	166
	<b>228,313</b>	<b>217,791</b>	<b>(10,522)</b>	<b>7,248</b>	<b>(17,770)</b>	<b>(10,522)</b>

**Gross Margin  
YTD August**

	Actual 2013	Budget 2013	Variance	Actual 2012	2012 Variance
<b>Gross Margin - \$/MWh</b>					
Rural	27.69	26.53	1.16	24.68	3.01
Large Industrial	18.72	17.97	0.75	17.12	1.60
Smelter	22.30	22.47	(0.17)	22.00	0.30
Off-System/Other	5.51	5.18	0.33	2.23	3.28
<b>Total</b>	<b>20.05</b>	<b>21.13</b>	<b>(1.08)</b>	<b>20.08</b>	<b>(0.03)</b>

<b>Gross Margin - Thousands of \$</b>					
Rural	44,216	43,839	377	39,587	4,629
Large Industrial	12,739	11,347	1,392	11,093	1,646
Smelter	106,639	107,089	(450)	108,907	(2,268)
Off-System/Other	8,380	4,307	4,073	1,870	6,510
<b>Total</b>	<b>171,974</b>	<b>166,582</b>	<b>5,392</b>	<b>161,457</b>	<b>10,517</b>

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

	Price / Volume		
	Price	Volume	Total
Rural	1,842	(1,465)	377
Large Industrial	509	883	1,392
Smelter	(810)	360	(450)
Off-System/Other	513	3,560	4,073
	2,054	3,338	5,392



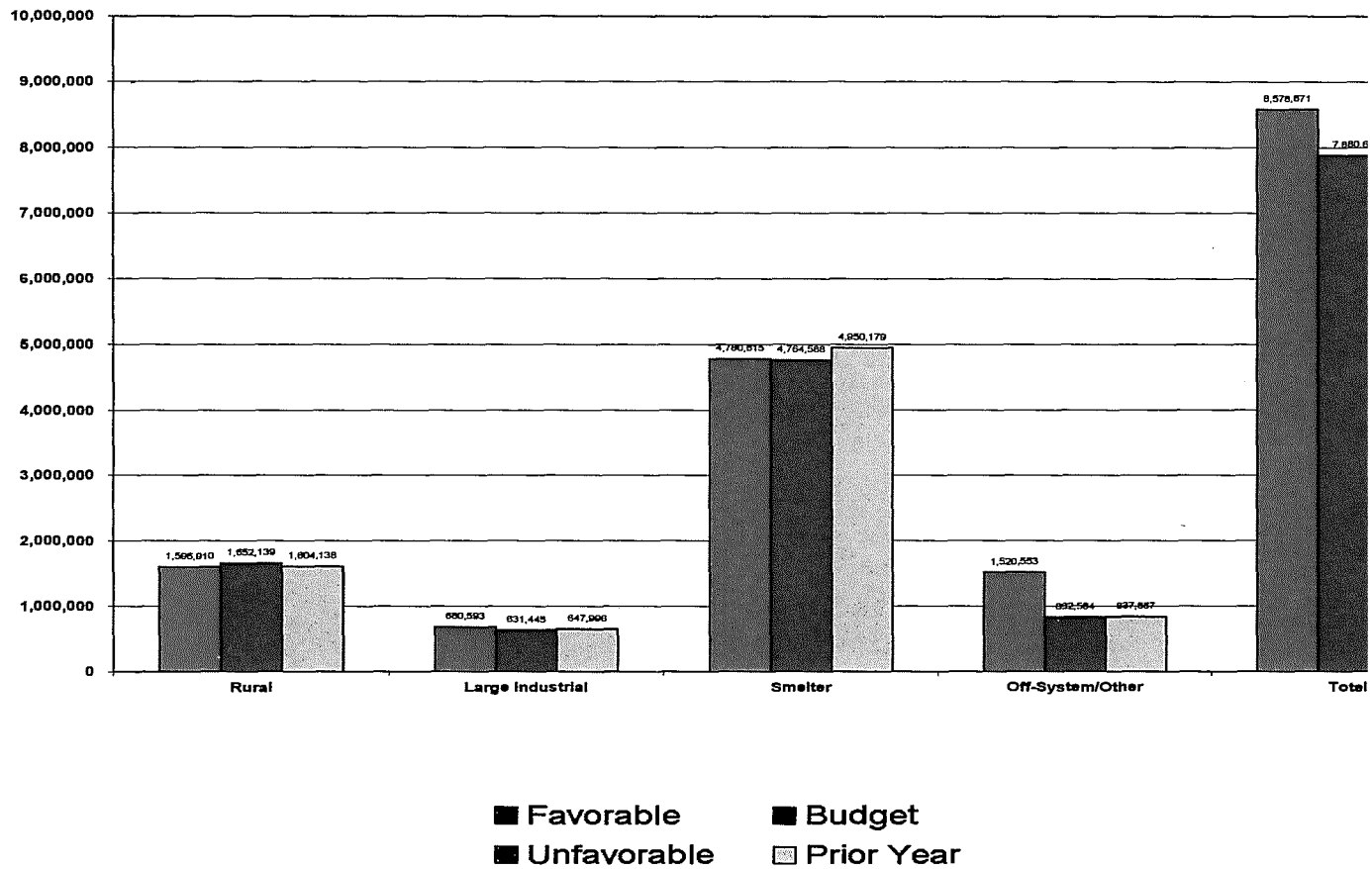
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### Member Rate Stability Mechanism YTD August

	<u>Actual</u> <u>2013</u>	<u>Budget</u> <u>2013</u>	<u>2013</u> <u>Variance</u>	<u>Actual</u> <u>2012</u>	<u>2012</u> <u>Variance</u>		<u>Actual</u> <u>2013</u>	<u>Budget</u> <u>2013</u>	<u>2013</u> <u>Variance</u>	<u>Actual</u> <u>2012</u>	<u>2012</u> <u>Variance</u>
<b>MRSM - \$/MWh</b>						<b>Net Revenue - \$/MWh</b>					
Rural	(6.72)	(7.37)	0.65	(6.35)	(0.37)	Rural	47.01	46.27	0.74	44.16	2.85
Large Industrial	(6.33)	(6.83)	0.50	(6.35)	0.02	Large Industrial	38.48	38.25	0.23	36.58	1.90
Total	(6.60)	(7.22)	0.62	(6.35)	(0.25)	Total	44.46	44.06	0.40	41.98	2.48
<b>MRSM - Thousands of \$</b>						<b>Net Revenue - Thousands of \$</b>					
Rural	(10,732)	(12,181)	1,449	(10,130)	(602)	Rural	75,067	76,446	(1,379)	70,890	4,177
Large Industrial	(4,309)	(4,311)	2	(4,161)	(148)	Large Industrial	26,186	24,154	2,032	23,660	2,526
Total	(15,041)	(16,492)	1,451	(14,291)	(750)	Total	101,253	100,600	653	94,550	6,703

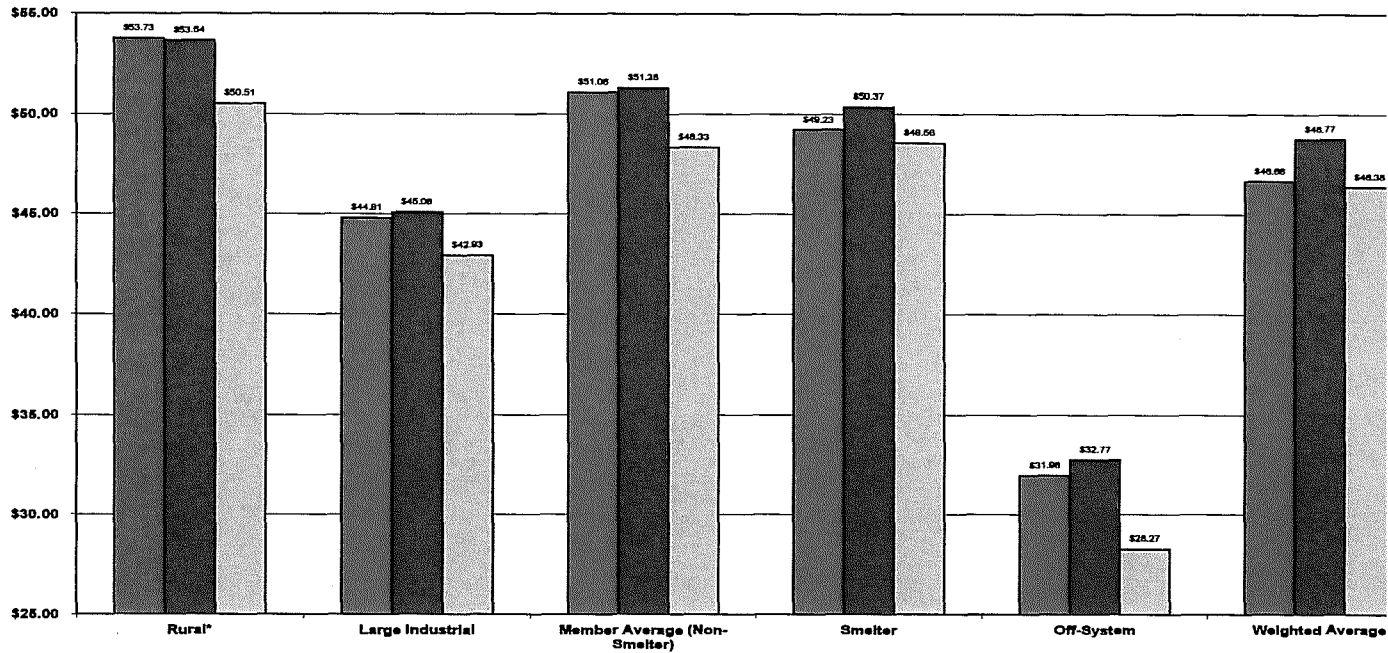
<u>Economic Reserve Balance</u>			
<u>Cumulative-to-Date</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Original Deposit	\$ 157,000		
Interest Earnings	3,332		
Withdrawals	(94,153)		
Ending Balance 08/31/2013	\$ 66,179	\$ 64,441	\$ 1,738
<u>Year-to-Date</u>			
Beg. Balance 1/1/2013	\$ 80,643		
Interest Earnings	129		
Withdrawals	(14,593)		
Ending Balance 08/31/2013	\$ 66,179	\$ 64,441	\$ 1,738

# MWH Sales YTD – August





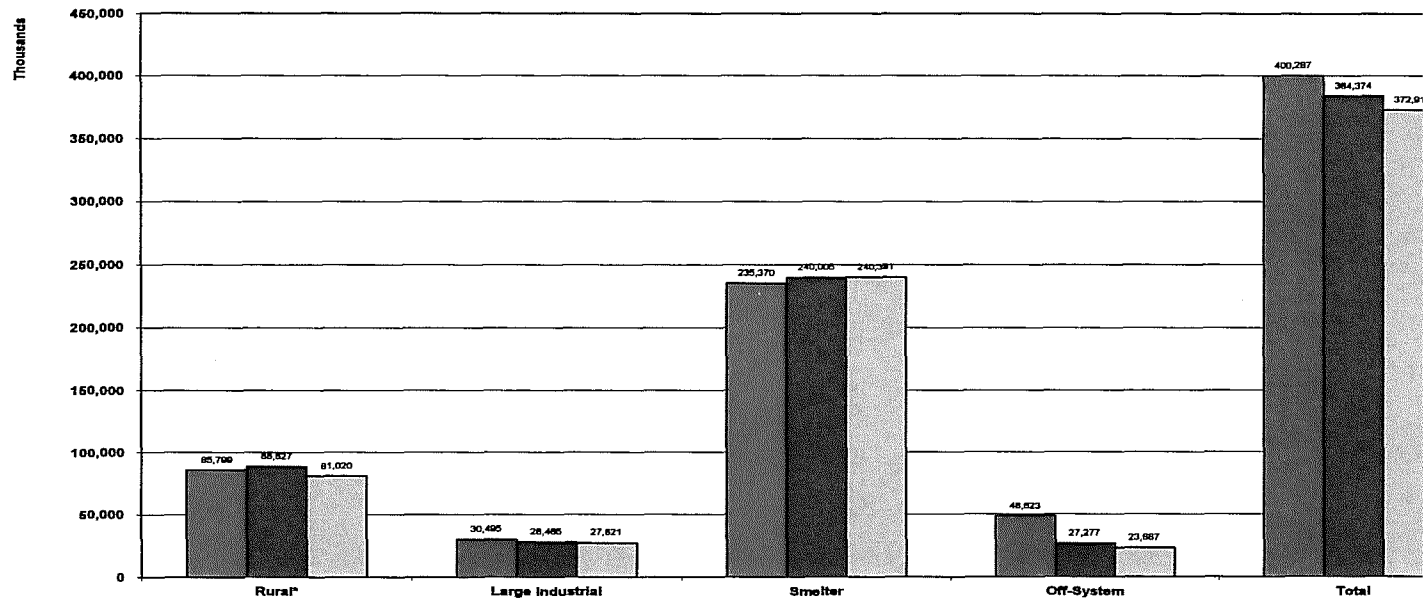
# Revenue - \$/MWh Sold YTD – August



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

Favorable    
  Budget  
 Unfavorable    
  Prior Year

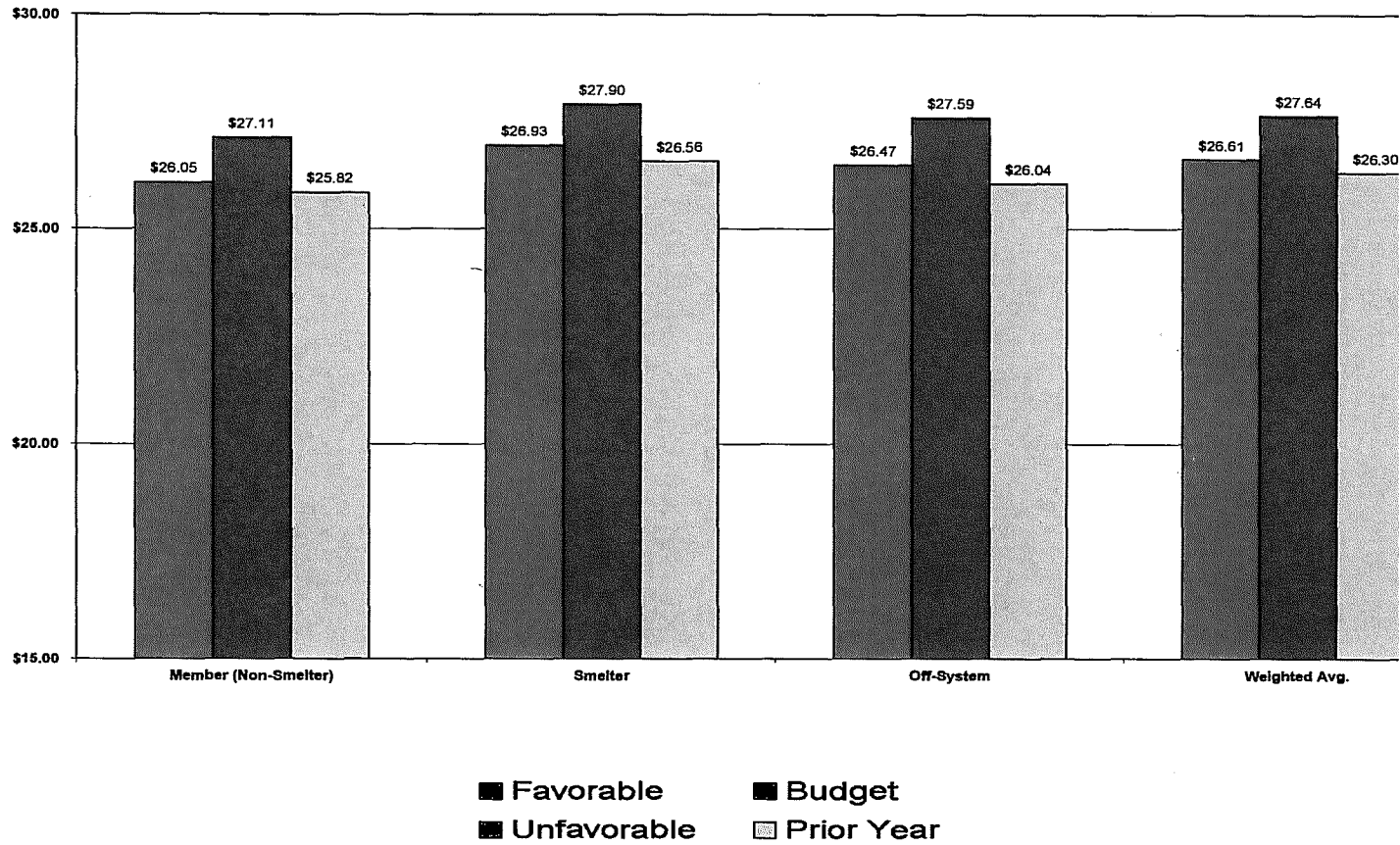
# Revenue YTD - August



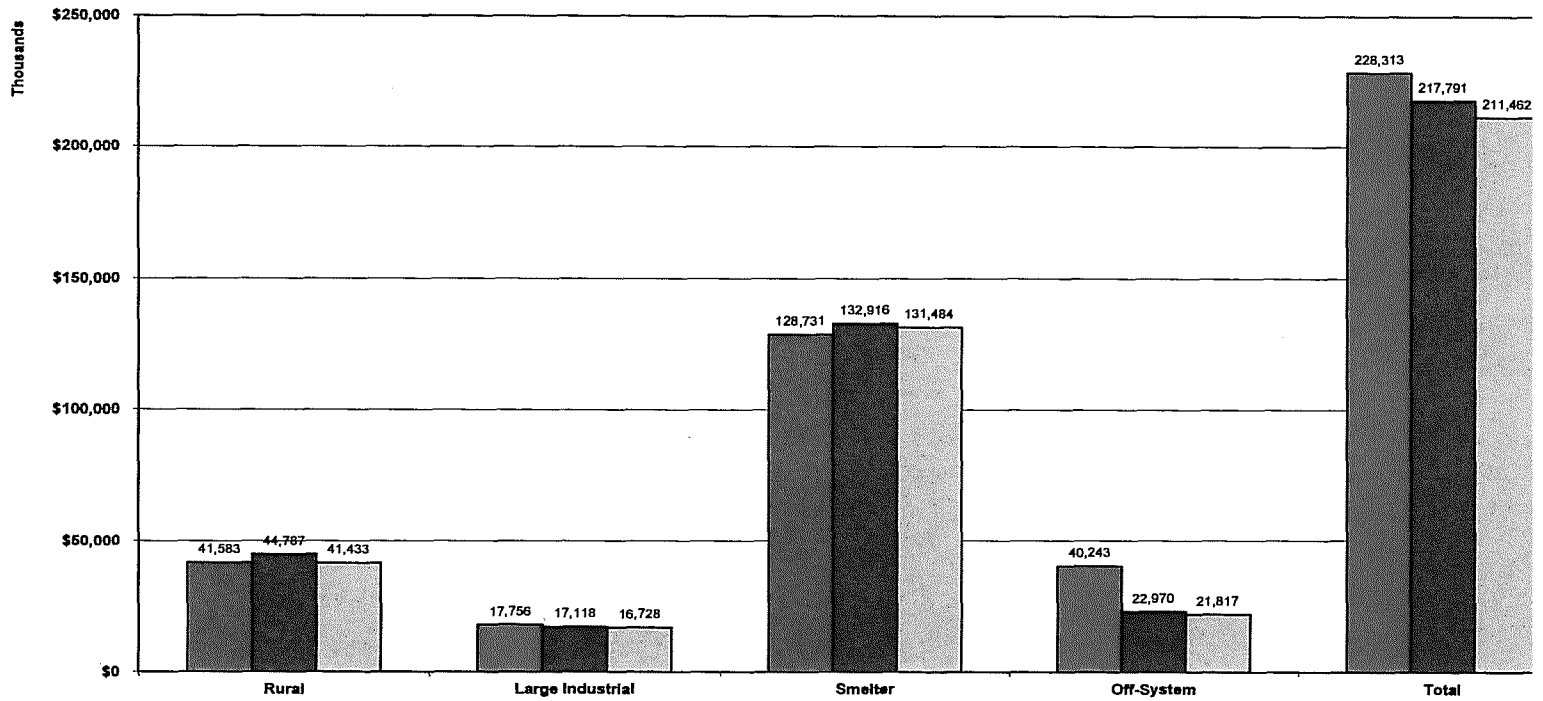
\*2013 Rural includes \$1.3m of the \$1.4m retroactive adjustment from January 29<sup>th</sup> order from the PSC

Favorable      Budget  
 Unfavorable      Prior Year

## Variable Operations - \$/MWh Sold YTD – August



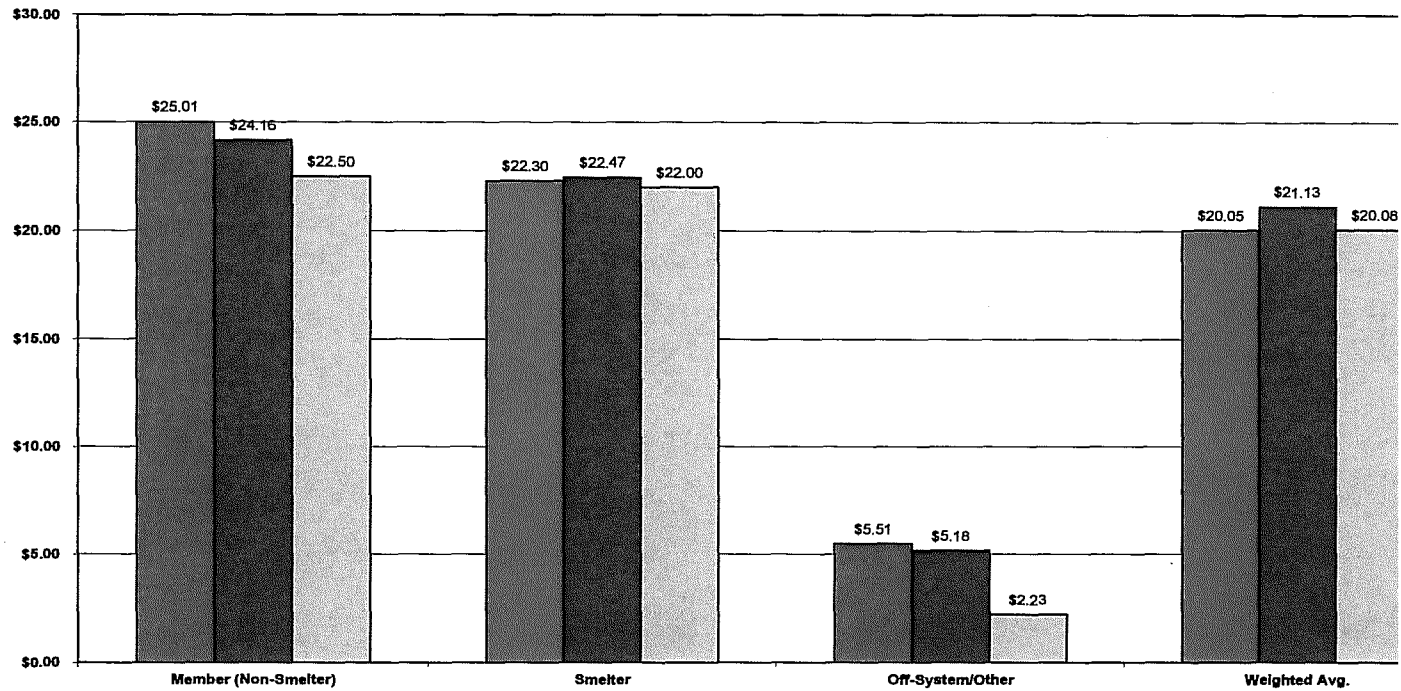
# Variable Operations Cost YTD – August



Favorable      Budget  
 Unfavorable      Prior Year

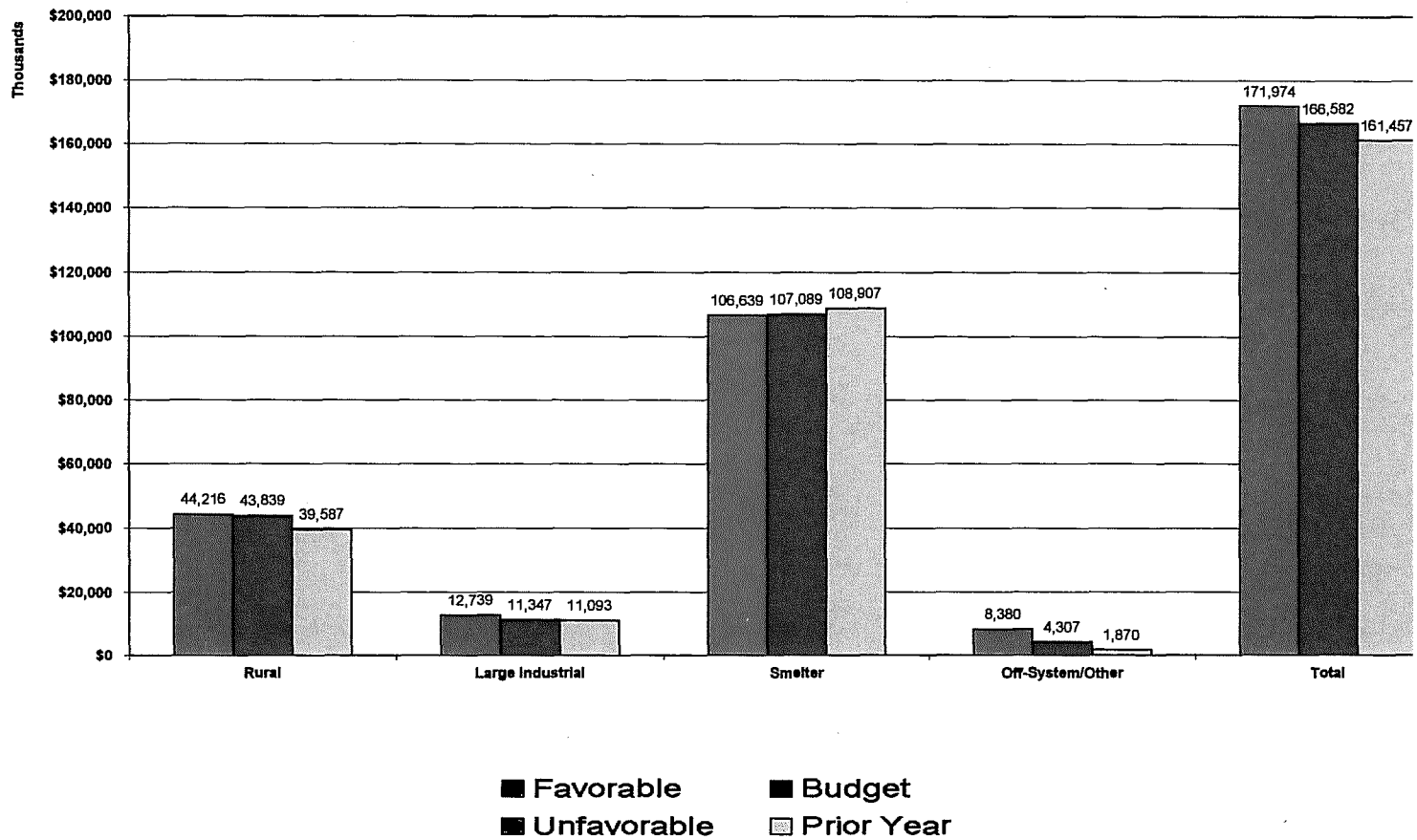


## Gross Margin - \$/MWh YTD – August

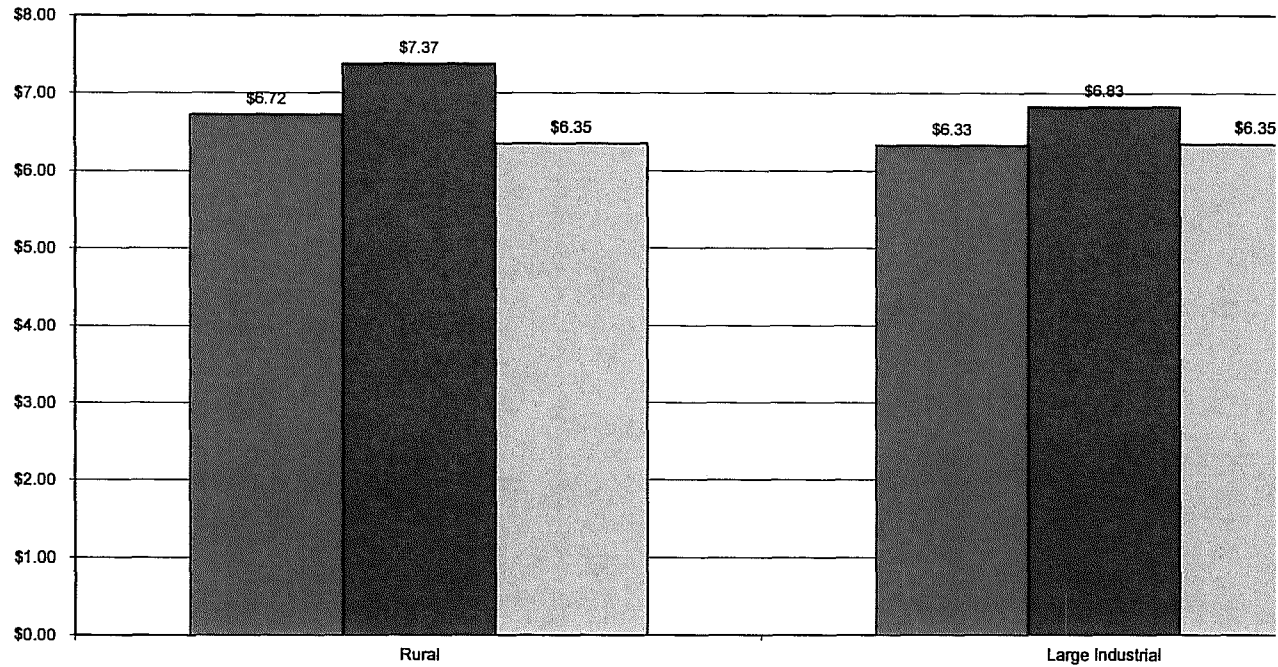


Favorable       Budget  
 Unfavorable     Prior Year

# Gross Margin YTD – August

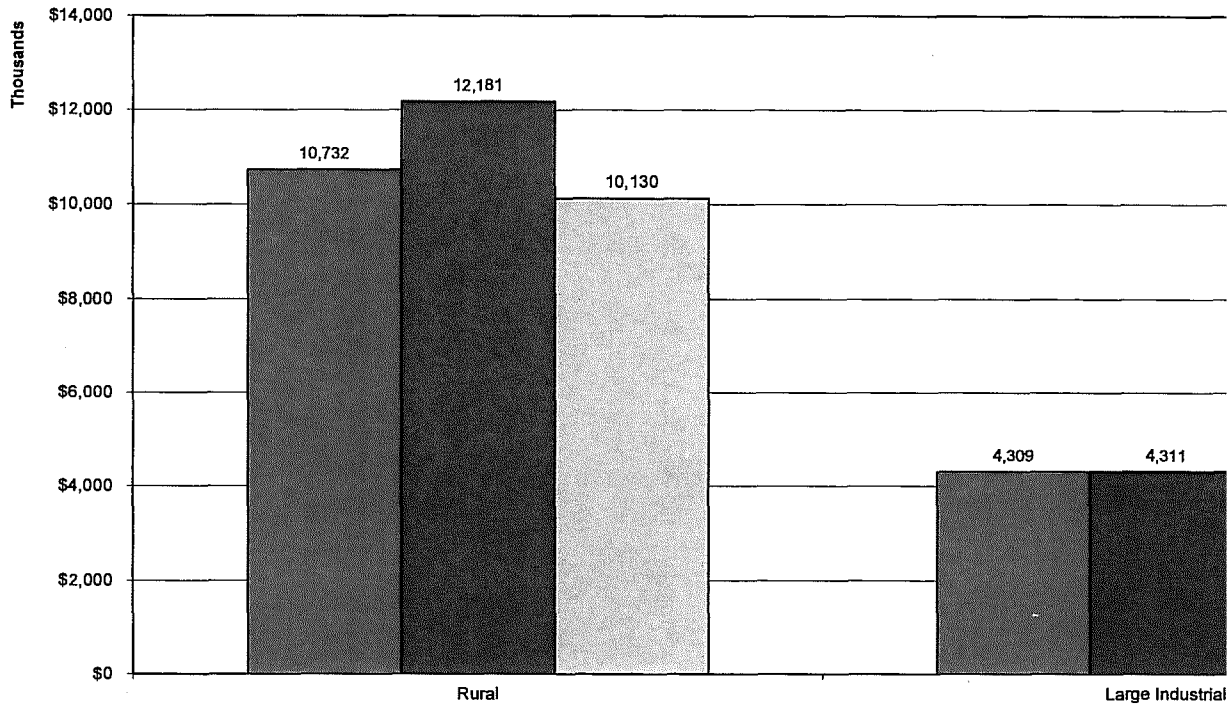


# MRSM - \$/MWh YTD - August



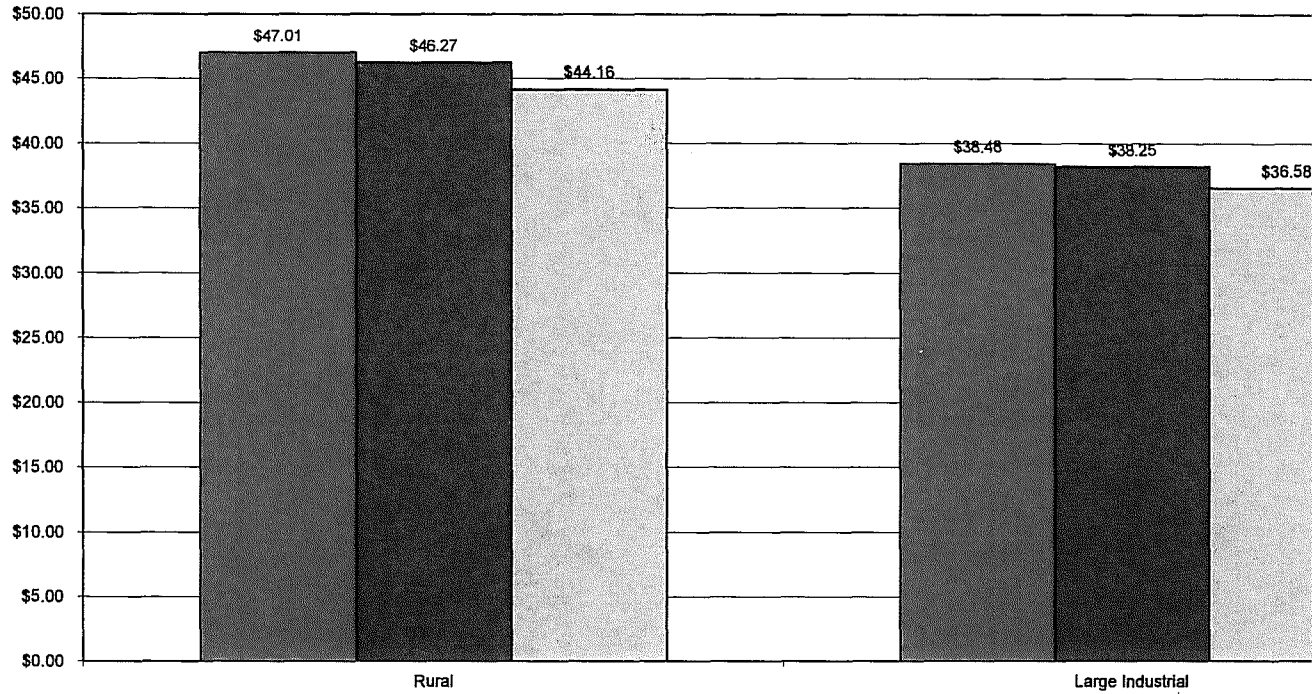
Favorable      Budget  
 Unfavorable      Prior Year

# MRSM YTD - August



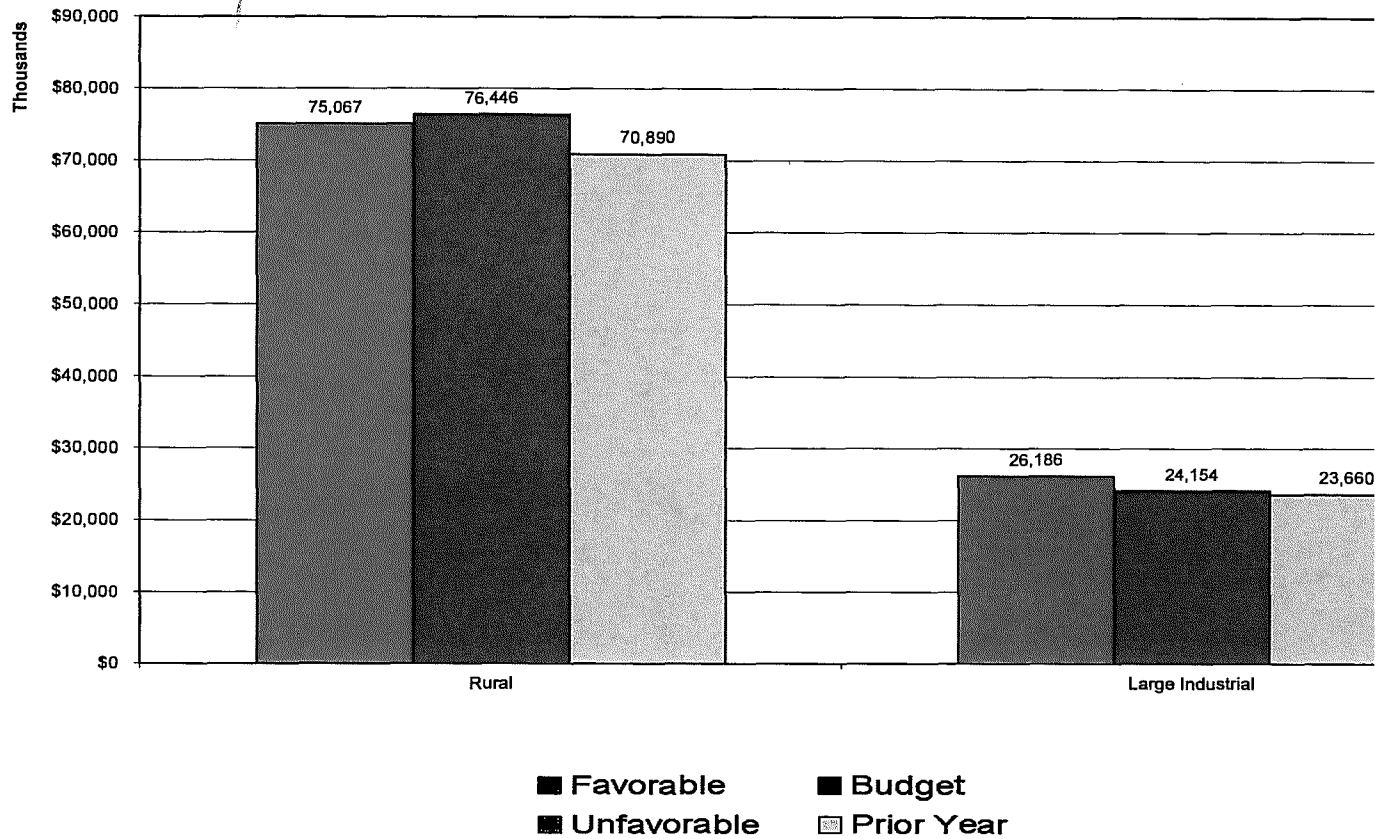
Favorable  
 Unfavorable  
 Budget  
 Prior Year

# Net Revenue Less MRSM - \$/MWh YTD – August



Favorable      Budget  
 Unfavorable      Prior Year

## Net Revenue Less MRS YTD - August



# Big Rivers Other Operating Revenue and Income

ELECTRIC CORPORATION

Your Touchstone Energy® Cooperative 

	<b>Variance</b>		
	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Fav/(Unfav)</u></b>
<b>August YTD</b>	<b>3,527</b>	<b>2,466</b>	<b>1,061</b>

Other Operating Revenue and Income is favorable to budget due to higher transmission revenue.



## Non-Variable Production and Other Power Supply – Operations

**August YTD**

		Variance		Variance
<u>Actual</u>	<u>Budget</u>	<u>Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Fav/(Unfav)</u>
<b>44,341</b>	<b>47,800</b>	<b>3,459</b>	<b>43,862</b>	<b>(479)</b>

**Current Year Variances**

Station-Two expenses	1,188
Plant Operations expense non-labor (WL, GN, CL)	2,512
Other (Depreciation, Property Taxes/Insurance)	(241)
<b>Non-Variable Production and Other Power Supply - Operations</b>	<b>3,459</b>

**Prior-Year Variances**

Power Supply transmission reservation	(460)
Station-Two Plant O&M	(302)
Property Insurance	(214)
Labor	632
Other (Depreciation, Property Taxes, Plant Operations expense)	(135)
<b>Non-Variable Production and Other Power Supply - Operations</b>	<b>(479)</b>





## Operation Expense – Transmission

	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
<b>August YTD</b>	<b>7,490</b>	<b>6,212</b>	<b>(1,278)</b>	<b>6,738</b>	<b>(752)</b>

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

## Consumer Service & Informational Expense

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
<b>August YTD</b>	<b>543</b>	<b>943</b>	<b>400</b>

Favorability as compared to budget is driven by timing of Demand Side Management expenses.

## Operation Expense – Administrative & General

	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
<b>August YTD</b>	<b>17,248</b>	<b>19,473</b>	<b>2,225</b>	<b>18,271</b>	<b>1,023</b>

The favorable variance compared to budget is driven by favorability in Information Systems mainly due to contract expenses included in the capitalization of the Oracle Database Upgrade project, as well as favorability in Energy Services, primarily due to deferral of IRP expenses. The favorable variance compared to prior year is mostly driven by ECP costs in 2012.



## Maintenance Expense – Production

	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
<b>August YTD</b>	<b>24,558</b>	<b>30,256</b>	<b>5,698</b>	<b>27,872</b>	<b>3,314</b>

The favorable variance compared to budget is largely due to deferral of the Coleman outage, while the prior-year favorable variance is driven by 2012 outage expenses at Wilson.



## Maintenance Expense – Transmission

	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
<b>August YTD</b>	<b>2,941</b>	<b>3,510</b>	<b>569</b>	<b>3,398</b>	<b>457</b>

The favorable variance to budget and prior year is driven by timing of right-of-way maintenance at ET&S.

## Other Deductions

	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
<b>August YTD</b>	<b>1,048</b>	<b>375</b>	<b>(673)</b>	<b>164</b>	<b>(884)</b>

The unfavorable variance as compared to budget and prior-year is due to a write-off associated with 1983 Pollution Control bonds refunding costs, as well as a write-off of unamortized deferred debt expense associated with the 2012 CoBank Revolver.

## Other Capital Credits & Pat Dividends

	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
<b>August YTD</b>	<b>783</b>	<b>1,271</b>	<b>(488)</b>	<b>59</b>	<b>724</b>

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



## Interest on Long-Term Debt

	<b>2012</b>	<b>Variance</b>
	<b><u>Actual</u></b>	<b><u>Fav/(Unfav)</u></b>
<b>August YTD</b>	<b>29,287</b>	<b>728</b>

Interest on Long-Term Debt is favorable primarily due to paying off the 1983 pollution control bonds.



## Interest Charged to Construction-Credit

	<u>Actual</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
<b>August YTD</b>	<b>(206)</b>	<b>(508)</b>	<b>(302)</b>

Interest Charged to Construction-Credit is unfavorable primarily due to timing of the MATS project and favorable capital spending.

## Interest Income

	<b>2012</b>	<b>Variance</b>
	<b><u>Actual</u></b>	<b><u>Fav/(Unfav)</u></b>
<b>August YTD</b>	<b>1,298</b>	<b>1,242</b>

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

## North Star – YTD August

	2013			2012	
	Actual	Budget	Fav/(UnFav) Variance	Actual	Fav/(UnFav) Variance
Total Cost of Electric Service	385,005	386,218	1,213	370,652	(14,353)
Other Operating Revenues & Income	(3,527)	(2,466)	1,061	(3,508)	19
Smelter Avoidable Base Charge	(273)	0	273	(286)	(13)
Off-System Sales/Other	(48,622)	(27,277)	21,345	(23,687)	24,935
Interest Income	(1,298)	(1,353)	(55)	(56)	1,242
Other Non-Operating Income	0	0	0	0	0
Other Capital Credits & Pat. Dividends	(783)	(1,271)	(488)	(59)	724
	330,502	353,851	23,349	343,056	12,554

Member MWh	7,058,117	7,048,172	9,945	7,202,313	(144,196)
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North Star - \$/kWh	0.046826	0.050205	0.003379	0.047631	0.000805
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## TIER

	<u>Actual</u>	<u>Budget</u>	<u>Fav/(Unfav)</u>
Interest on Long-Term Debt	29,287	30,680	1,393
Net Margins	20,890	3,246	17,644
TIER - YTD August	1.71	1.11	0.60
TIER (12 months ending 8/31)	1.59	1.22	0.37

### Notes:

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

## Capital Expenditures\*

### Year-to-Date

	Actual	Budget	Fav/(UnFav)
IS	1,070	2,230	1,160
Generation	13,062	27,926	14,864
Transmission	2,714	5,469	2,755
Other	135	1,894	1,759
ECP	0	6,752	6,752
<b>Total</b>	<b>16,981</b>	<b>44,271</b>	<b>27,290</b>

#### Explanation:

IS was favorable \$1,160 primarily due to timing of the Corporate Analytics, the Hyperion upgrade, the Oracle R12 Upgrade, Members' Replacement of Hardware/Software and the Data Center Servers projects.

Generation was favorable by \$14,864. Coleman Station was favorable \$6,704 largely due to deferral of scheduled outage projects. Station-Two was favorable \$4,035 largely due to permanent favorability in the Burner Replacement, Turbine DCS Control, Barge Unloader Bucket, Bypass Stack Damper, Coal Pile Pumps project, Other Miscellaneous projects, and timing variances relating to the H2 outage projects. Green Station was favorable \$3,871 primarily due to cancellation of various projects including: Gaitronic Phone System, Reclaim Feeder project, Office Building Hot Water Heater, timing of Heater Exchangers, Caustic Pumping System and Jordan Drives projects. Wilson Station was favorable \$254 largely due to timing of the No. 1 Boiler Feed Pump, Landfill Drainage Control and Sewage Treatment Liner projects.

Transmission was favorable \$2,755 primarily due to timing of White Oak-50 MVA Substation, Garrett-Flaherty, Hancock Co. and Buttermilk Falls projects.

Other was favorable \$1,759 largely due to timing of vehicle replacement purchases, the deferral of the PCI Software projects, timing of CHN Analyzer and the Reid Gas conversion project.

ECP was favorable \$6,752 due to the timing of the MATS project.

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



## Cash & Temporary Investments

	<u>Actual</u>	<u>Budget</u>	<u>Fav/(Unfav)</u>	<u>2012</u> <u>Actual</u>	<u>Fav/(Unfav)</u>
<b>August 31st</b>	<b>78,299</b>	<b>94,018</b>	<b>(15,719)</b>	<b>107,528</b>	<b>(29,229)</b>

The August 31, 2013 cash balance compared to budget is unfavorable due to paying off the 1983 pollution control bonds, partially offset by beginning balance favorability of \$8.8m, and by changes in working capital.

The unfavorable variance to prior-year is driven by paying off the 1983 pollution control bonds, partially offset by changes in working capital.

Lines of Credit <u>As of August 31st</u>	
Original Amount	\$ 50,000
Letters of Credit Outstanding	(8,625)
Advances Outstanding	0
Available Lines of Credit	\$ 41,375

# Monthly Variance Report – September 2013



Your Touchstone Energy® Cooperative 

**Financial Report**  
**September 2013**  
**(\$ in Thousands)**

**Board Meeting Date: November 15, 2013**





## Summary of Statement of Operations YTD – September

	2013			2012	
	Actual	Budget	Fav/(UnFav)	Actual	Fav/(UnFav)
			Variance		Variance
Revenues	446,152	425,318	20,834	423,042	23,110
Cost of Electric Service	423,961	425,010	1,049	415,378	(8,583)
Operating Margins	22,191	308	21,883	7,664	14,527
Interest Income/Other	3,493	2,792	701	462	3,031
Net Margins - YTD	25,684	3,100	22,584	8,126	17,558



Your Touchstone Energy® Cooperative

## Statement of Operations – September Variance to Budget

	Current Month			Year-to-Date			Explanation
	Actual	Budget	Variance Fav/(UnFav)	Actual	Budget	Variance Fav/(UnFav)	
ELECTRIC ENERGY REVENUES	41,347	38,170	3,177	441,634	422,545	19,089	[A] Pages 7, 9-13, 16-21
OTHER OPERATING REVENUE AND INCOME	991	308	683	4,518	2,773	1,745	[B] Page 22
<b>TOTAL OPER REVENUES &amp; PATRONAGE CAPITAL</b>	<b>42,338</b>	<b>38,478</b>	<b>3,860</b>	<b>446,152</b>	<b>425,318</b>	<b>20,834</b>	
OPERATION EXPENSE-PRODUCTION-EXCL FUEL	3,340	3,608	268	37,194	40,594	3,400	[A] Pages 8, 14-15, 23
OPERATION EXPENSE-PRODUCTION-FUEL	13,044	14,390	1,346	172,367	182,515	10,148	[A] Pages 8, 14-15
OPERATION EXPENSE-OTHER POWER SUPPLY	8,981	6,556	(2,425)	88,457	67,037	(21,420)	[A] Pages 8, 14-15, 23
OPERATION EXPENSE-TRANSMISSION	780	692	(88)	8,269	6,904	(1,365)	[B] Page 24
OPERATION EXPENSE-RTO/ISO	149	123	(26)	1,824	1,661	(163)	
OPERATION EXPENSE-CUSTOMER ACCOUNTS	77	0	(77)	209	0	(209)	
CONSUMER SERVICE & INFORMATIONAL EXPENSE	358	193	(165)	901	1,135	234	
OPERATION EXPENSE-SALES	72	19	(53)	102	105	3	
OPERATION EXPENSE-ADMINISTRATIVE & GENERAL	2,357	2,188	(169)	19,605	21,661	2,056	
<b>TOTAL OPERATION EXPENSE</b>	<b>29,158</b>	<b>27,769</b>	<b>(1,389)</b>	<b>328,928</b>	<b>321,612</b>	<b>(7,316)</b>	
MAINTENANCE EXPENSE-PRODUCTION	2,265	3,182	917	26,822	33,437	6,615	[B] & [C] Page 26
MAINTENANCE EXPENSE-TRANSMISSION	403	379	(24)	3,344	3,889	545	[B] Page 27
MAINTENANCE EXPENSE-GENERAL PLANT	19	16	(3)	191	161	(30)	
<b>TOTAL MAINTENANCE EXPENSE</b>	<b>2,687</b>	<b>3,577</b>	<b>890</b>	<b>30,357</b>	<b>37,487</b>	<b>7,130</b>	
DEPRECIATION & AMORTIZATION EXPENSE	3,595	3,642	47	31,028	31,347	319	
TAXES	0	0	0	2	1	(1)	
INTEREST ON LONG-TERM DEBT	3,497	3,821	324	32,784	34,502	1,718	
INTEREST CHARGED TO CONSTRUCTION-CREDIT	(4)	(60)	(56)	(210)	(357)	(147)	
OTHER INTEREST EXPENSE	0	0	0	0	0	0	
OTHER DEDUCTIONS	23	43	20	1,072	418	(654)	[B] Page 28
<b>TOTAL COST OF ELECTRIC SERVICE</b>	<b>38,956</b>	<b>38,792</b>	<b>(164)</b>	<b>423,961</b>	<b>425,010</b>	<b>1,049</b>	
<b>OPERATING MARGINS</b>	<b>3,382</b>	<b>(314)</b>	<b>3,696</b>	<b>22,191</b>	<b>308</b>	<b>21,883</b>	
INTEREST INCOME	154	168	(14)	1,452	1,521	(69)	
ALLOWANCE FOR FUNDS USED DURING CONST	0	0	0	0	0	0	
OTHER NON-OPERATING INCOME - NET	0	0	0	0	0	0	
OTHER CAPITAL CREDITS & PAT DIVIDENDS	1,258	0	1,258	2,041	1,271	770	[B] Page 29
EXTRAORDINARY ITEMS	0	0	0	0	0	0	
<b>NET PATRONAGE CAPITAL OR MARGINS</b>	<b>4,794</b>	<b>(146)</b>	<b>4,940</b>	<b>25,684</b>	<b>3,100</b>	<b>22,584</b>	

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



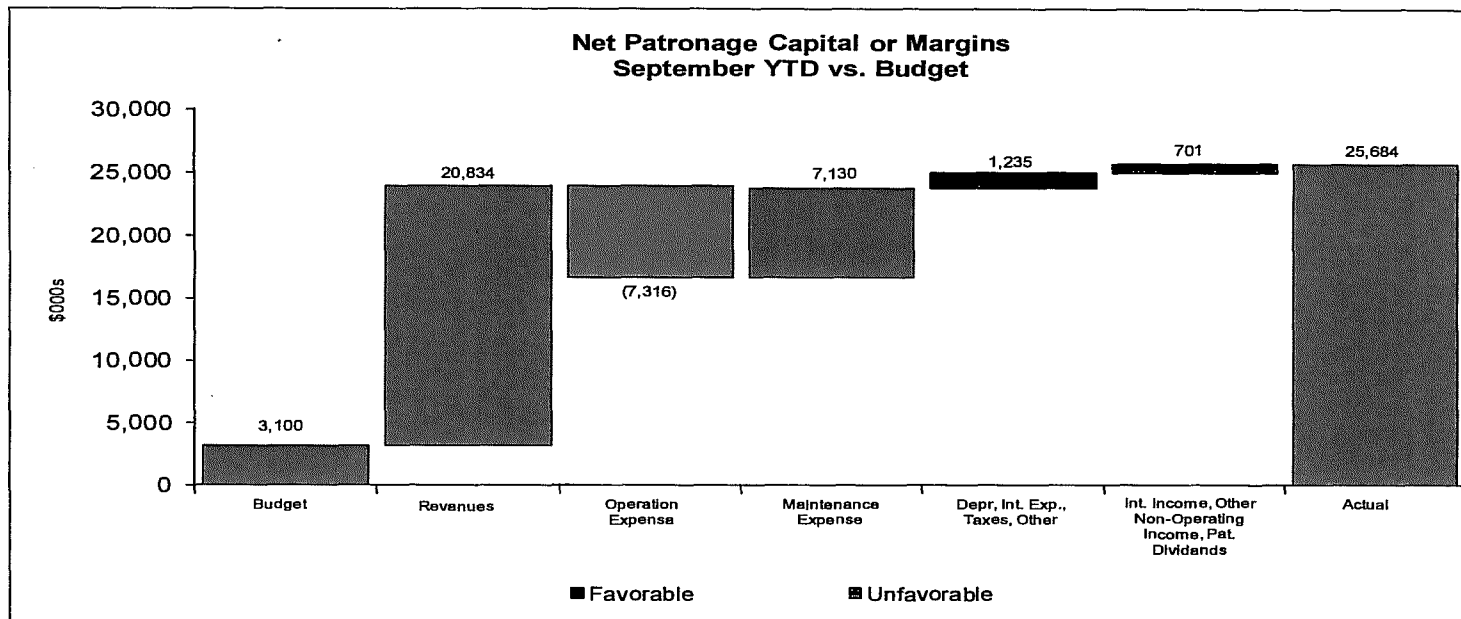
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## Statement of Operations – September Variance to Prior-Year

	Current Month			Year-to-Date			Explanation
	Actual	Prior Year	Variance Fav/(UnFav)	Actual	Prior Year	Variance Fav/(UnFav)	
ELECTRIC ENERGY REVENUES	41,347	46,264	(4,917)	441,634	419,183	22,451	[A] Pages 7, 9-13, 16-21
OTHER OPERATING REVENUE AND INCOME	991	351	640	4,518	3,859	659	[B] Page 22
<b>TOTAL OPER REVENUES &amp; PATRONAGE CAPITAL</b>	<b>42,338</b>	<b>46,615</b>	<b>(4,277)</b>	<b>446,152</b>	<b>423,042</b>	<b>23,110</b>	
OPERATION EXPENSE-PRODUCTION-EXCL FUEL	3,340	4,038	698	37,194	36,392	(802)	[A] Pages 8, 14-15, 23
OPERATION EXPENSE-PRODUCTION-FUEL	13,044	18,170	5,126	172,367	165,833	(6,534)	[A] Pages 8, 14-15
OPERATION EXPENSE-OTHER POWER SUPPLY	8,981	8,973	(8)	88,457	84,282	(4,175)	[A] Pages 8, 14-15, 23
OPERATION EXPENSE-TRANSMISSION	780	626	(154)	8,269	7,363	(906)	[B] & [C] Page 24
OPERATION EXPENSE-RTO/ISO	149	170	21	1,824	1,663	(161)	
OPERATION EXPENSE-CUSTOMER ACCOUNTS	77	0	(77)	209	0	(209)	
CONSUMER SERVICE & INFORMATIONAL EXPENSE	358	61	(297)	901	391	(510)	[B] Page 25
OPERATION EXPENSE-SALES	72	5	(67)	102	102	0	
OPERATION EXPENSE-ADMINISTRATIVE & GENERAL	2,357	2,107	(250)	19,605	20,378	773	
<b>TOTAL OPERATION EXPENSE</b>	<b>29,158</b>	<b>34,150</b>	<b>4,992</b>	<b>328,928</b>	<b>316,404</b>	<b>(12,524)</b>	
MAINTENANCE EXPENSE-PRODUCTION	2,265	3,000	735	26,822	30,872	4,050	[B] & [C] Page 26
MAINTENANCE EXPENSE-TRANSMISSION	403	338	(65)	3,344	3,736	392	[B] Page 27
MAINTENANCE EXPENSE-GENERAL PLANT	19	17	(2)	191	128	(63)	
<b>TOTAL MAINTENANCE EXPENSE</b>	<b>2,687</b>	<b>3,355</b>	<b>668</b>	<b>30,357</b>	<b>34,736</b>	<b>4,379</b>	
DEPRECIATION & AMORTIZATION EXPENSE	3,595	3,564	(31)	31,028	30,852	(176)	
TAXES	0	0	0	2	4	2	
INTEREST ON LONG-TERM DEBT	3,497	3,704	207	32,784	33,719	935	[C] Page 30
INTEREST CHARGED TO CONSTRUCTION-CREDIT	(4)	(70)	(66)	(210)	(579)	(369)	[B] Page 31
OTHER INTEREST EXPENSE	0	0	0	0	55	55	
OTHER DEDUCTIONS	23	24	1	1,072	187	(885)	[B] & [C] Page 28
<b>TOTAL COST OF ELECTRIC SERVICE</b>	<b>38,956</b>	<b>44,727</b>	<b>5,771</b>	<b>423,961</b>	<b>415,378</b>	<b>(8,583)</b>	
<b>OPERATING MARGINS</b>	<b>3,382</b>	<b>1,888</b>	<b>1,494</b>	<b>22,191</b>	<b>7,664</b>	<b>14,527</b>	
INTEREST INCOME	154	348	(194)	1,452	403	1,049	[B] & [C] Page 32
ALLOWANCE FOR FUNDS USED DURING CONST	0	0	0	0	0	0	
OTHER NON-OPERATING INCOME - NET	0	0	0	0	0	0	
OTHER CAPITAL CREDITS & PAT DIVIDENDS	1,258	0	1,258	2,041	59	1,982	[B] & [C] Page 29
EXTRAORDINARY ITEMS	0	0	0	0	0	0	
<b>NET PATRONAGE CAPITAL OR MARGINS</b>	<b>4,794</b>	<b>2,236</b>	<b>2,558</b>	<b>25,684</b>	<b>8,126</b>	<b>17,558</b>	

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

## Variance Analysis Summary

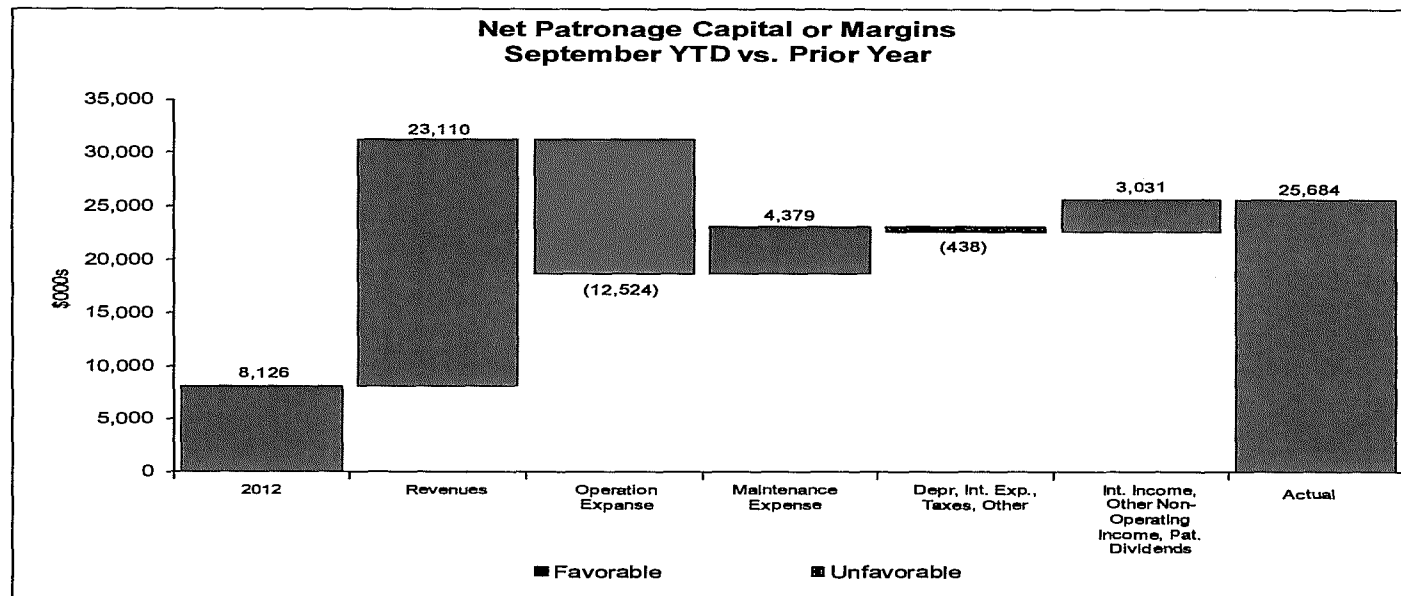


### Financial Commentary

#### Year-to-Date

- September YTD 2013 Margins were \$22,584 favorable to budget.
  - Revenues were favorable \$20,834 primarily due to OSS volumes, as well as the \$1.4m retroactive rate adjustment per the January 29th PSC order (see pages 7, 9-13, 16-22).
  - Operation Expense was unfavorable \$7,316 driven by purchased power, while somewhat offset by fuel, reagent and non-variable operations (see page 8 & 23).
  - Maintenance Expense was favorable \$7,130 primarily due to the deferral of the Coleman outage (see pages 26 & 27).
  - Depreciation/Interest Expense/Other was favorable \$1,235 primarily due to interest savings on the paid-off 1983 pollution control bonds.
  - Interest Income/Patronage was favorable \$701 due to higher than anticipated patronage capital from CFC (see page 29)

# Variance Analysis Summary



**Financial Commentary**

**Year-to-Date**

- September YTD 2013 margins were \$17,558 favorable compared to 2012.
  - Revenues were favorable \$23,110 largely due to volumes, most of which is from OSS (see pages 7, 9-13, 16-22).
  - Operation Expense was unfavorable \$12,524 – driven by higher fuel cost, mostly due to volume, partially offset by lower purchase power.
  - Maintenance Expense was favorable \$4,379 due to higher outage expenses in 2012, as well as deferral of the 2013 Coleman outage. (see page 26).
  - Depreciation/Interest Expense/Other was unfavorable \$438 primarily due to the write-off of deferred costs associated with the 1983 pollution control bonds, as well as the 2012 CoBank Revolver. (see page 28).
  - Interest Income/Patronage was favorable \$3,031 due to patronage capital as a result of the 2012 refinancing and the interest on the CFC capital term certificates (see pages 29 and 32).



**Revenue  
YTD September**

	Actual 2013	Budget 2013	Variance	Actual 2012	2012 Variance
<b>MWh Sales</b>					
Rural	1,778,862	1,831,032	(52,170)	1,774,530	4,332
Large Industrial	759,276	708,254	51,022	725,754	33,522
Smelter	5,036,770	5,024,248	12,522	5,552,923	(516,153)
Off-System/Other	1,820,236	996,756	823,480	971,890	848,346
<b>Total</b>	<b>9,395,144</b>	<b>8,560,290</b>	<b>834,854</b>	<b>9,025,097</b>	<b>370,047</b>

	Actual 2013	Budget 2013	Variance	Actual 2012	2012 Variance
<b>Revenue - \$/MWh</b>					
Rural	55.96	55.81	0.15	50.88	5.08
Large Industrial	45.84	46.41	(0.57)	43.02	2.82
Smelter	49.64	50.86	(1.22)	48.61	1.03
Off-System/Other	31.46	32.05	(0.59)	28.57	2.89
<b>Total</b>	<b>47.01</b>	<b>49.36</b>	<b>(2.35)</b>	<b>46.45</b>	<b>0.56</b>

	Actual 2013	Budget 2013	Variance	Actual 2012	2012 Variance
<b>Revenue - Thousands of \$</b>					
Rural <sup>(1)</sup>	99,540	102,187	(2,647)	90,283	9,257
Large Industrial	34,806	32,872	1,934	31,220	3,586
Smelter	250,025	255,535	(5,510)	269,914	(19,889)
Off-System/Other	57,263	31,951	25,312	27,766	29,497
<b>Total</b>	<b>441,634</b>	<b>422,545</b>	<b>19,089</b>	<b>419,183</b>	<b>22,451</b>

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

**Revenue Price / Volume Analysis  
September 2013**

	Price / Volume		Total
	Price	Volume	
Rural	265	(2,912)	(2,647)
Large Industrial	(435)	2,369	1,934
Smelter	(6,147)	637	(5,510)
Off-System/Other	(1,083)	26,395	25,312
	(7,400)	26,489	19,089



### Variable Operations Cost YTD September

	Actual 2013	Budget 2013	Variance	Actual 2012	2012 Variance
<b>Variable Operations (VO) Cost - \$/MWh</b>					
Rural	25.89	27.25	1.36	25.85	(0.04)
Large Industrial	25.92	27.25	1.33	25.84	(0.08)
Smelter	26.69	28.00	1.31	26.59	(0.10)
Off-System/Other	27.29	27.68	0.39	26.07	(1.22)
<b>Total</b>	<b>26.60</b>	<b>27.74</b>	<b>1.14</b>	<b>26.33</b>	<b>(0.27)</b>

<b>VO Cost - Thousands of \$</b>					
Rural	46,056	49,889	3,833	45,864	(192)
Large Industrial	19,683	19,297	(386)	18,750	(933)
Smelter	134,451	140,670	6,219	147,633	13,182
Off-System/Other	49,675	27,589	(22,086)	25,340	(24,335)
<b>Total</b>	<b>249,865</b>	<b>237,445</b>	<b>(12,420)</b>	<b>237,587</b>	<b>(12,278)</b>

#### YTD September 2013 Variable Operations Expense

	Actual	Budget	Fav/(UnFav)	Price Variance		Volume Variance	
				Fav/(UnFav)	Fav/(UnFav)	Fav/(UnFav)	Fav/(UnFav)
Reagent	21,265	22,515	1,250	396	854	1,250	
Fuel	192,810	204,504	11,694	8,677	3,017	11,694	
Purchased Power	37,693	12,336	(25,357)	621	(25,978)	(25,357)	
Non-FAC PPA (Non-Smelter)	(1,903)	(1,910)	(7)	(6)	(1)	(7)	
	<b>249,865</b>	<b>237,445</b>	<b>(12,420)</b>	<b>9,688</b>	<b>(22,108)</b>	<b>(12,420)</b>	

**Gross Margin  
YTD September**

	Actual 2013	Budget 2013	Variance	Actual 2012	2012 Variance
<b>Gross Margin - \$/MWh</b>					
Rural	30.07	28.56	1.51	25.03	5.04
Large Industrial	19.92	19.16	0.76	17.18	2.74
Smelter	22.95	22.86	0.09	22.02	0.93
Off-System/Other	4.17	4.37	(0.20)	2.50	1.67
<b>Total</b>	<b>20.41</b>	<b>21.62</b>	<b>(1.21)</b>	<b>20.12</b>	<b>0.29</b>

<b>Gross Margin - Thousands of \$</b>					
Rural	53,484	52,298	1,186	44,419	9,065
Large Industrial	15,123	13,575	1,548	12,470	2,653
Smelter	115,574	114,865	709	122,281	(6,707)
Off-System/Other	7,588	4,362	3,226	2,426	5,162
<b>Total</b>	<b>191,769</b>	<b>185,100</b>	<b>6,669</b>	<b>181,596</b>	<b>10,173</b>

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

	Price / Volume		Total
	Price	Volume	
Rural	2,676	(1,490)	1,186
Large Industrial	570	978	1,548
Smelter	423	286	709
Off-System/Other	(378)	3,604	3,226
	3,291	3,378	6,669





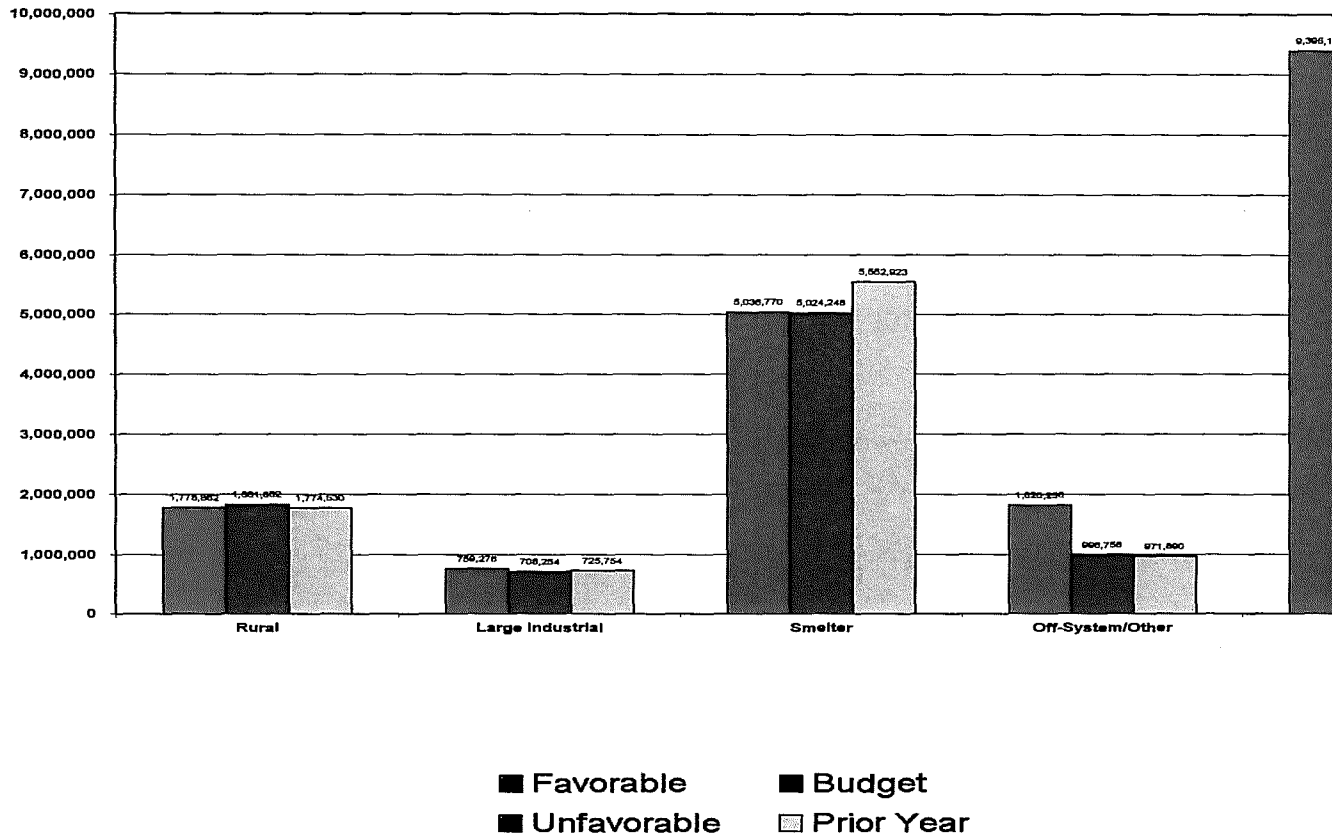
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### Member Rate Stability Mechanism YTD September

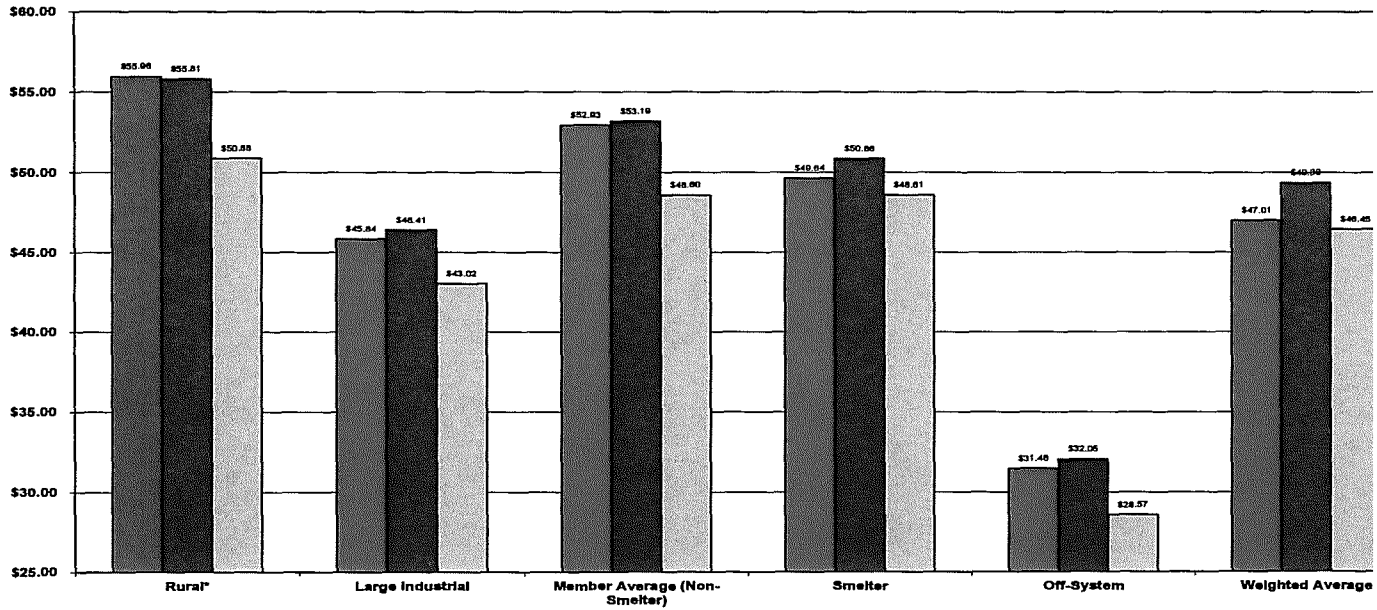
	Actual 2013	Budget 2013	2013 Variance	Actual 2012	2012 Variance		Actual 2013	Budget 2013	2013 Variance	Actual 2012	2012 Variance
<b>MRSM - \$/MWh</b>						<b>Net Revenue - \$/MWh</b>					
Rural	(7.04)	(7.66)	0.62	(6.25)	(0.79)	Rural	48.92	48.15	0.77	44.63	4.29
Large Industrial	(6.69)	(7.10)	0.41	(6.25)	(0.44)	Large Industrial	39.15	39.31	(0.16)	36.77	2.38
Total	(6.93)	(7.51)	0.58	(6.25)	(0.68)	Total	46.00	45.68	0.32	42.35	3.65
<b>MRSM - Thousands of \$</b>						<b>Net Revenue - Thousands of \$</b>					
Rural	(12,521)	(14,033)	1,512	(11,053)	(1,468)	Rural	87,019	88,154	(1,135)	79,230	7,789
Large Industrial	(5,077)	(5,027)	(50)	(4,582)	(495)	Large Industrial	29,729	27,845	1,884	26,638	3,091
Total	(17,598)	(19,060)	1,462	(15,635)	(1,963)	Total	116,748	115,999	749	105,868	10,880

<u>Economic Reserve Balance</u>			
<u>Cumulative-to-Date</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Original Deposit	\$ 157,000		
Interest Earnings	3,342		
Withdrawals	(96,026)		
Ending Balance 09/30/2013	\$ 64,316	\$ 61,910	\$ 2,406
<u>Year-to-Date</u>			
Beg. Balance 1/1/2013	\$ 80,643		
Interest Earnings	139		
Withdrawals	(16,466)		
Ending Balance 09/30/2013	\$ 64,316	\$ 61,910	\$ 2,406

# MWH Sales YTD – September



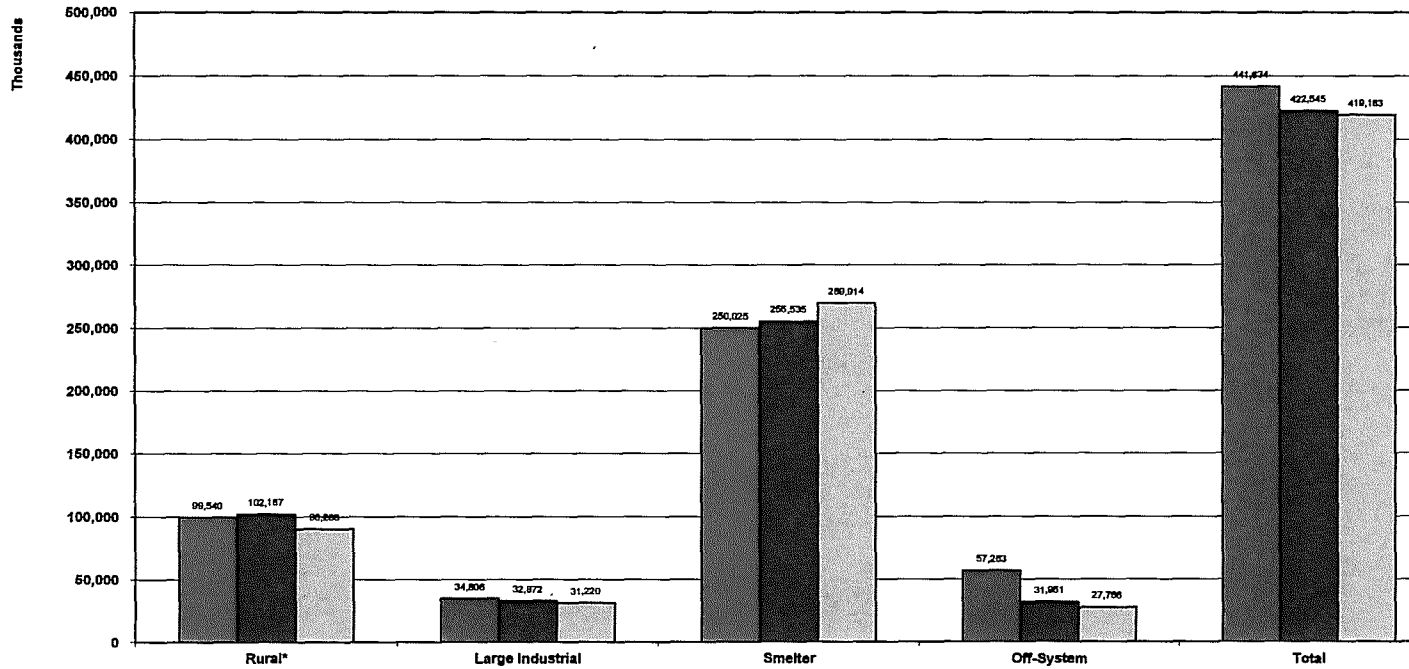
# Revenue - \$/MWh Sold YTD – September



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

■ Favorable      ■ Budget  
■ Unfavorable   ■ Prior Year

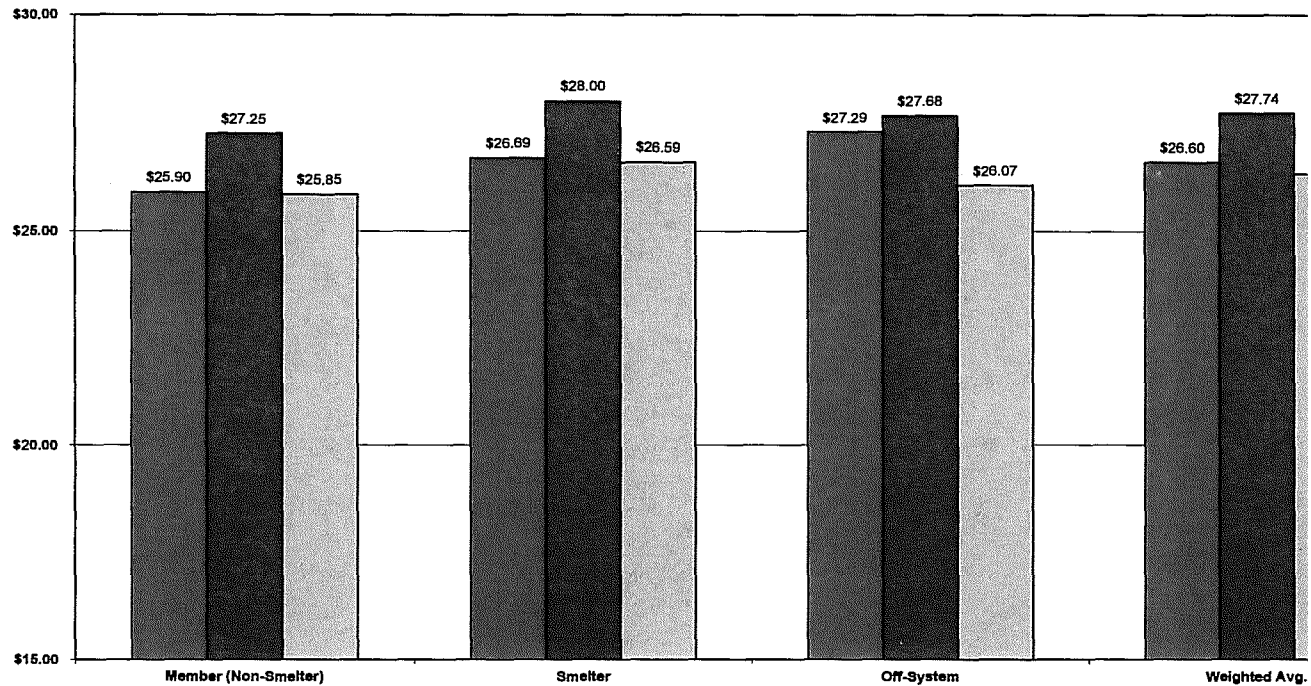
# Revenue YTD - September



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

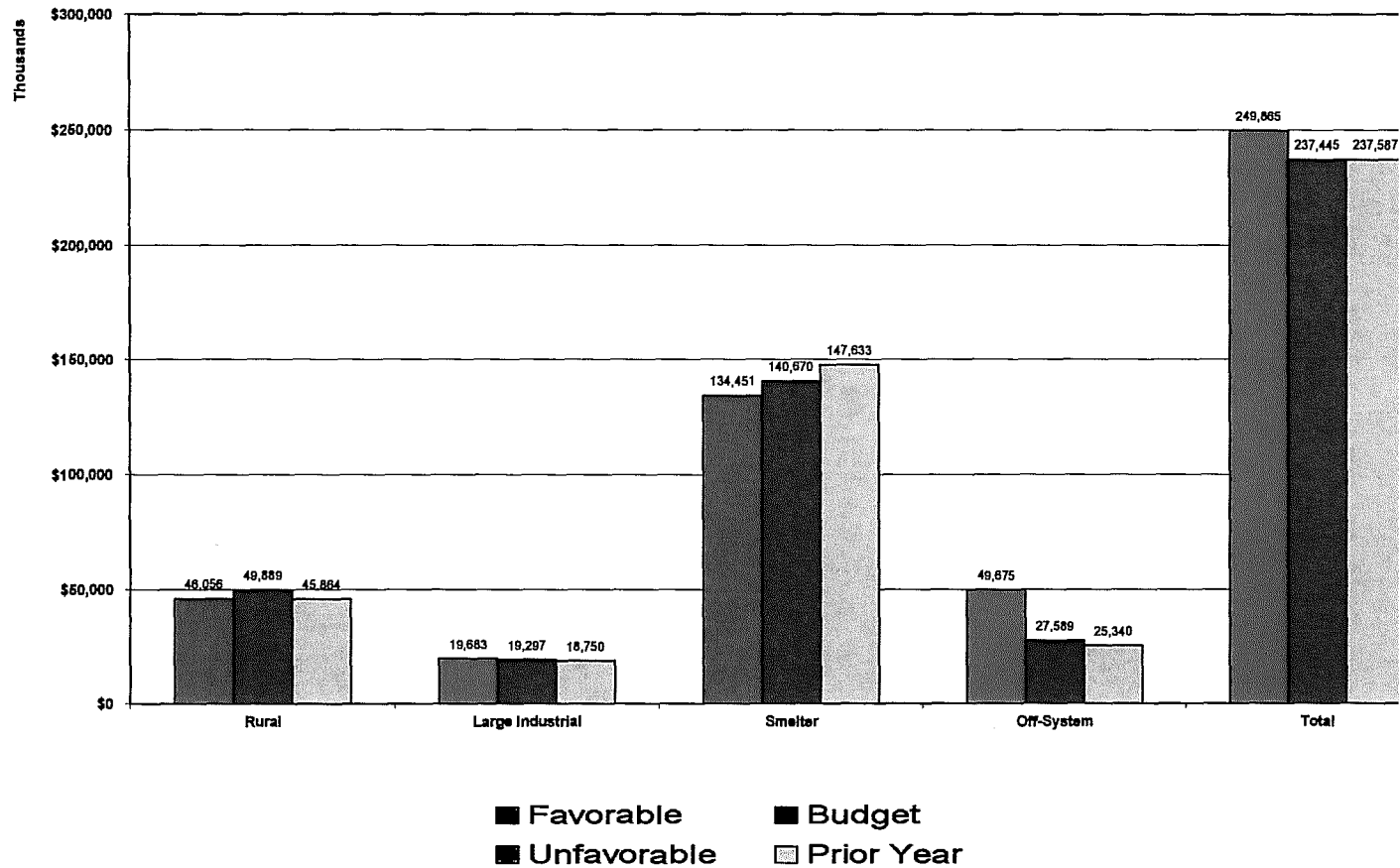
■ Favorable      ■ Budget  
■ Unfavorable   ■ Prior Year

## Variable Operations - \$/MWh Sold YTD – September

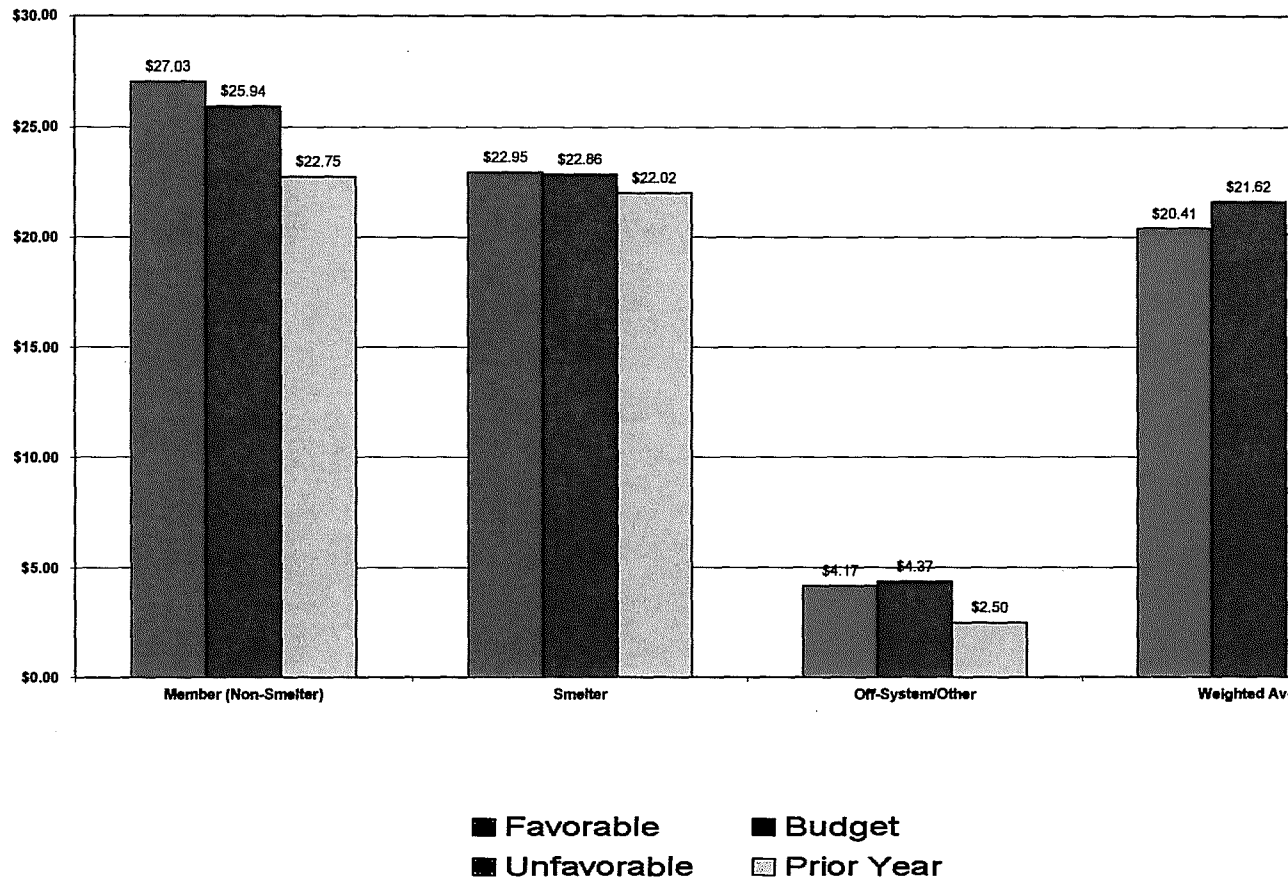


■ Favorable      ■ Budget  
 ■ Unfavorable    ■ Prior Year

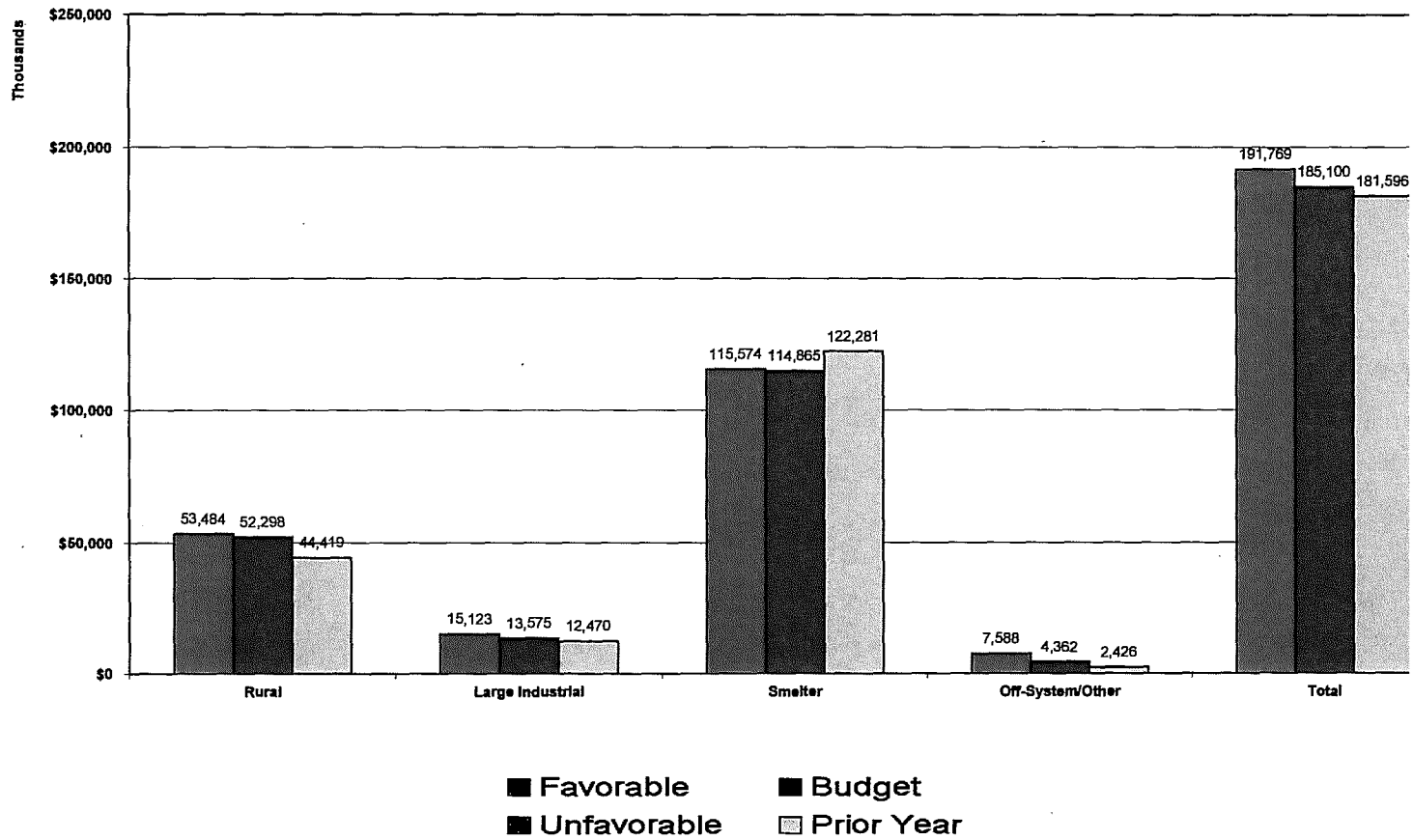
# Variable Operations Cost YTD – September



## Gross Margin - \$/MWh YTD – September

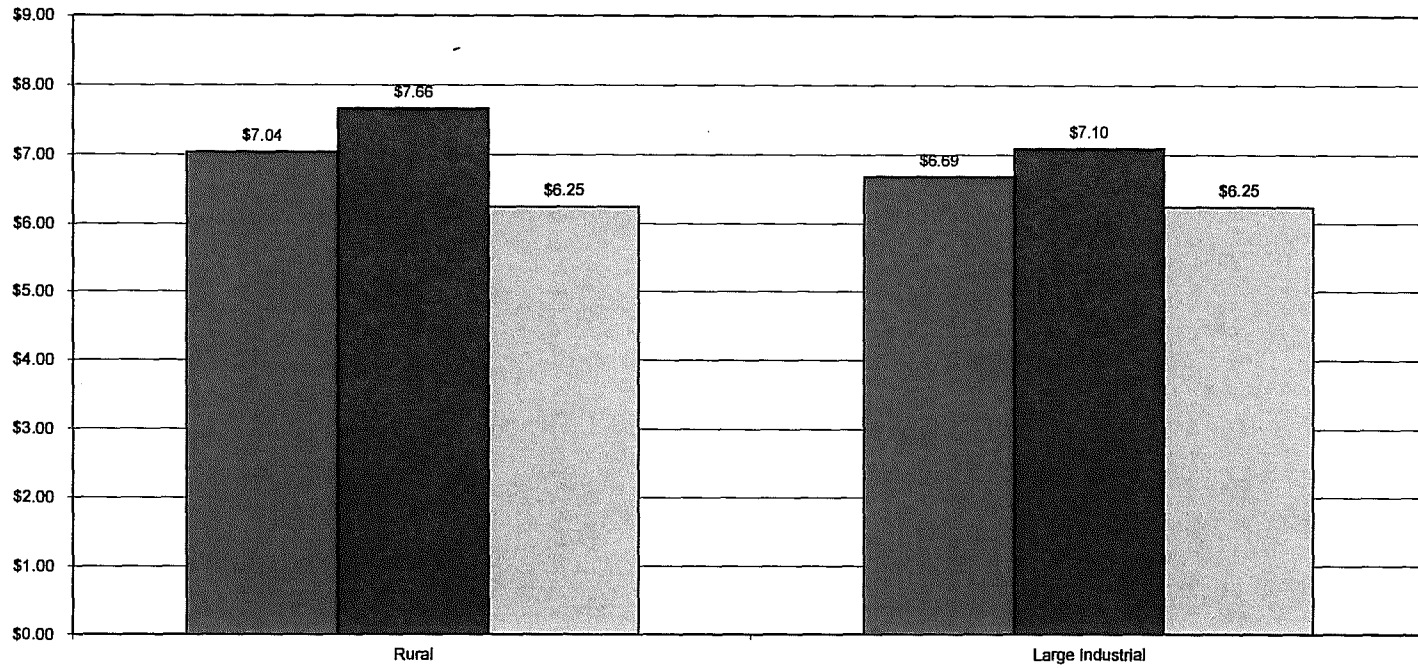


# Gross Margin YTD – September



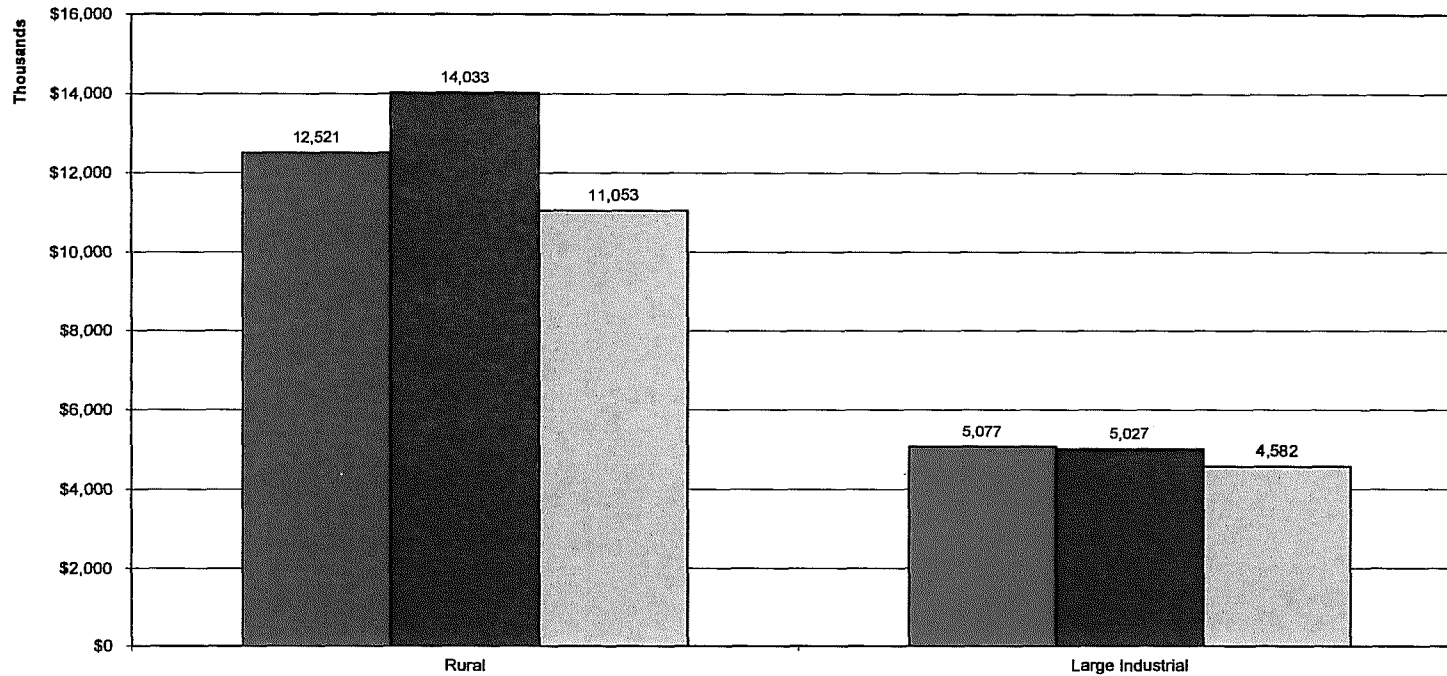


# MRSM - \$/MWh YTD - September



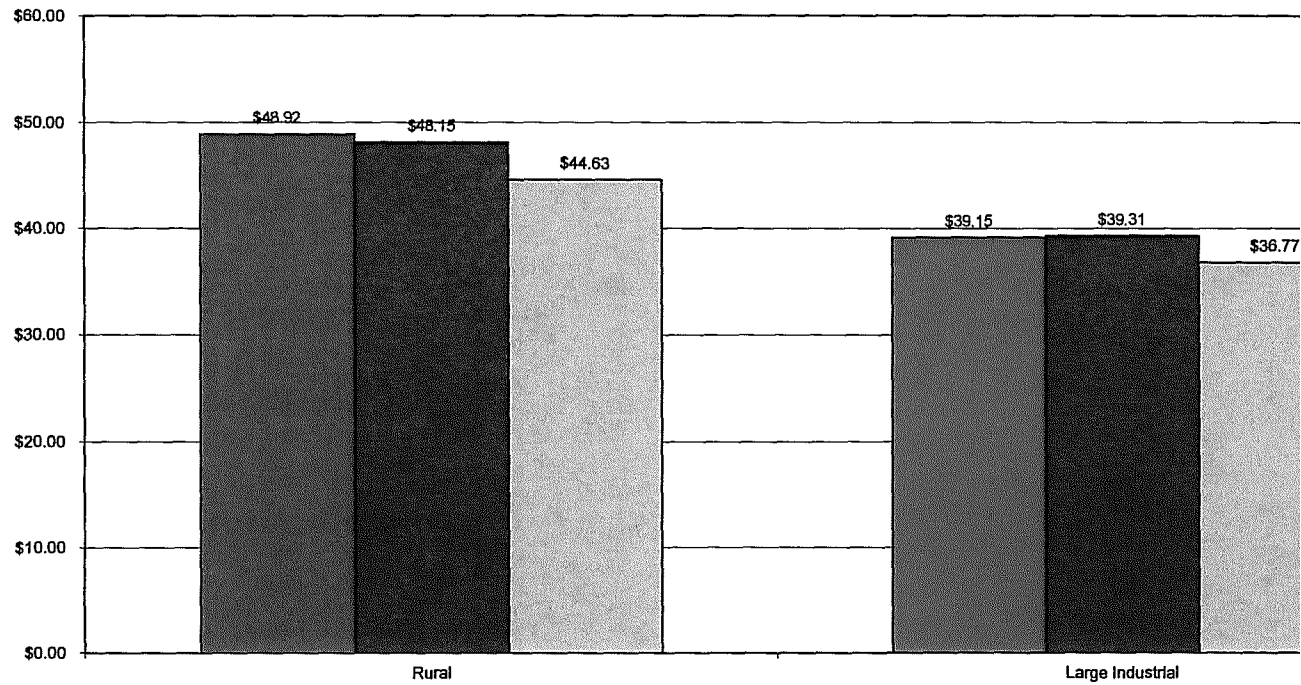
Favorable      Budget  
 Unfavorable      Prior Year

# MRSM YTD - September



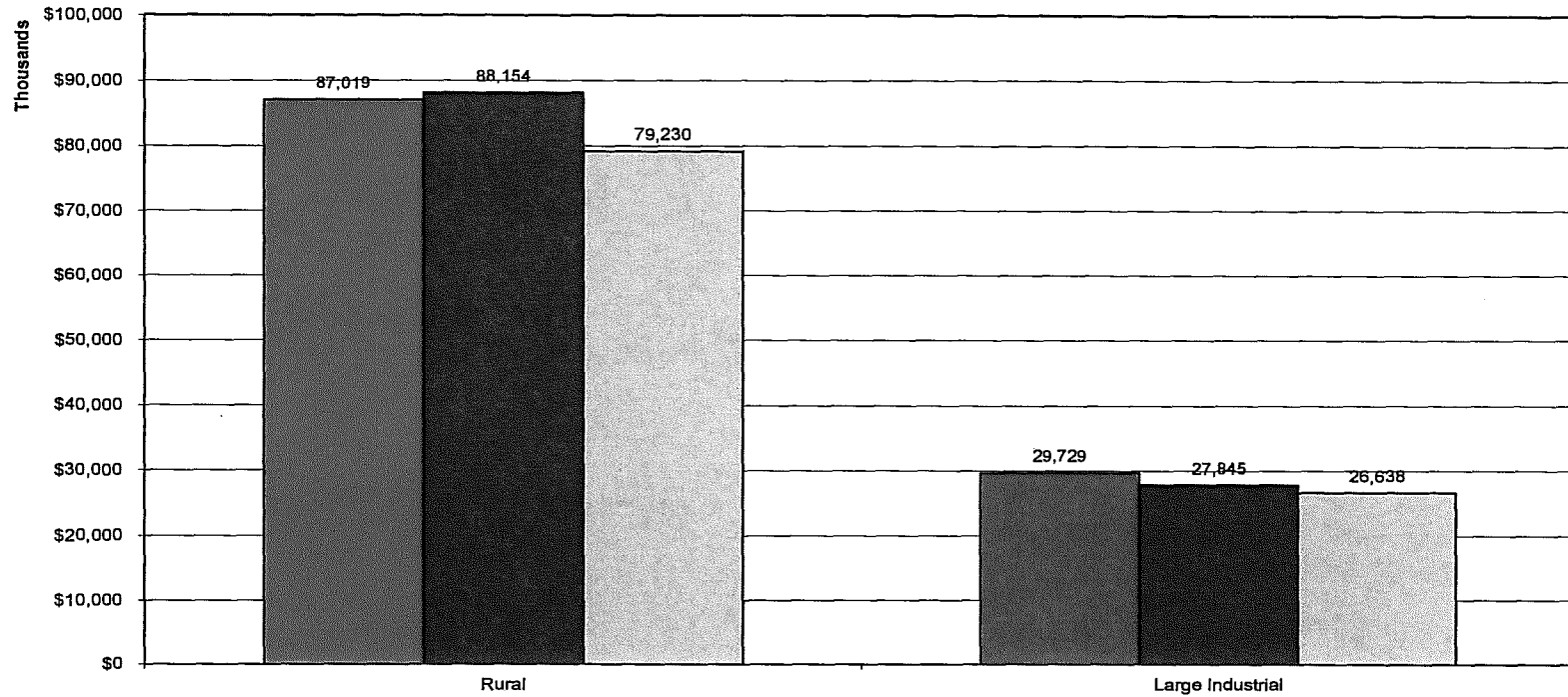
Favorable       Budget  
 Unfavorable     Prior Year

## Net Revenue Less MRSM - \$/MWh YTD – September



Favorable       Budget  
 Unfavorable     Prior Year

## Net Revenue Less MRS YTD - September



Favorable       Budget  
 Unfavorable     Prior Year



## Other Operating Revenue and Income

	<b>Variance</b>			<b>2012</b>	<b>Variance</b>
	<u><b>Actual</b></u>	<u><b>Budget</b></u>	<u><b>Fav/(Unfav)</b></u>	<u><b>Actual</b></u>	<u><b>Fav/(Unfav)</b></u>
<b>September YTD</b>	<b>4,518</b>	<b>2,773</b>	<b>1,745</b>	<b>3,859</b>	<b>659</b>

Other Operating Revenue and Income is favorable to budget and prior-year due to higher transmission revenue.



## Non-Variable Production and Other Power Supply – Operations

	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
<b>September YTD</b>	<b>48,153</b>	<b>52,701</b>	<b>4,548</b>	<b>48,919</b>	<b>766</b>

Current Year Variances

Station-Two Plant O&M	732
Plant Operations expense non-labor (WL, GN, CL)	2,805
Labor	618
Power Supply transmission reservation	264
Other (Depreciation, Property Taxes/Insurance)	129
<b>Non-Variable Production and Other Power Supply - Operations</b>	<b>4,548</b>

Prior-Year Variances

Power Supply transmission reservation	(368)
Station-Two Plant O&M	(238)
Property Insurance	(189)
Labor	1,594
Other (Depreciation, Property Taxes, Plant Operations expense)	(33)
<b>Non-Variable Production and Other Power Supply - Operations</b>	<b>766</b>



## Operation Expense – Transmission

	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
<b>September YTD</b>	<b>8,269</b>	<b>6,904</b>	<b>(1,365)</b>	<b>7,363</b>	<b>(906)</b>

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

## Consumer Service & Informational Expense

	<u>Actual</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
<b>September YTD</b>	<b>901</b>	<b>391</b>	<b>(510)</b>

Unfavorability as compared to prior-year is driven by an increase of Demand Side Management expenses.



## Maintenance Expense – Production

	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
<b>September YTD</b>	<b>26,822</b>	<b>33,437</b>	<b>6,615</b>	<b>30,872</b>	<b>4,050</b>

The favorable variance compared to budget is largely due to deferral of the Coleman outage, while the prior-year favorable variance is driven by 2012 outage expenses at Wilson.

## Maintenance Expense – Transmission

	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
<b>September YTD</b>	<b>3,344</b>	<b>3,889</b>	<b>545</b>	<b>3,736</b>	<b>392</b>

The favorable variance to budget and prior-year is primarily driven by favorability in right-of-way maintenance at ET&S.

## Other Deductions

	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
<b>September YTD</b>	<b>1,072</b>	<b>418</b>	<b>(654)</b>	<b>187</b>	<b>(885)</b>

The unfavorable variance as compared to budget and prior-year is due to a write-off associated with 1983 Pollution Control bonds refunding costs, as well as a write-off of unamortized deferred debt expense associated with the 2012 CoBank Revolver.

## Other Capital Credits & Pat Dividends

	<u>Actual</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
<b>September YTD</b>	<b>2,041</b>	<b>1,271</b>	<b>770</b>	<b>59</b>	<b>1,982</b>

The favorable variance compared to budget is due to higher than anticipated patronage capital associated with the CFC loan. The favorable variance compared to prior-year is due to patronage capital associated with the September 2012 refinancing.

## Interest on Long-Term Debt

	<b>2012</b>	<b>Variance</b>
	<b><u>Actual</u></b>	<b><u>Fav/(Unfav)</u></b>
<b>September YTD</b>	<b>32,784</b>	<b>935</b>

Interest on Long-Term Debt is favorable primarily due to paying off the 1983 pollution control bonds.

## Interest Charged to Construction-Credit

	<u>Actual</u>	2012 <u>Actual</u>	Variance <u>Fav/(Unfav)</u>
<b>September YTD</b>	<b>(210)</b>	<b>(579)</b>	<b>(369)</b>

Interest Charged to Construction-Credit is unfavorable primarily due to timing of the MATS project and favorable capital spending.

## Interest Income

	<u>Actual</u>	<u>2012 Actual</u>	<u>Variance Fav/(Unfav)</u>
<b>September YTD</b>	<b>1,452</b>	<b>403</b>	<b>1,049</b>

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

## North Star – YTD September

	2013			2012	
	Actual	Budget	Fav/(UnFav) Variance	Actual	Fav/(UnFav) Variance
Total Cost of Electric Service	423,961	425,010	1,049	415,378	(8,583)
Other Operating Revenues & Income	(4,518)	(2,773)	1,745	(3,859)	659
Smelter Avoidable Base Charge	(345)	0	345	(358)	(13)
Off-System Sales/Other	(57,263)	(31,951)	25,312	(27,766)	29,497
Interest Income	(1,452)	(1,521)	(69)	(403)	1,049
Other Non-Operating Income	0	0	0	0	0
Other Capital Credits & Pat. Dividends	(2,041)	(1,271)	770	(59)	1,982
	<b>358,342</b>	<b>387,494</b>	<b>29,152</b>	<b>382,933</b>	<b>24,591</b>
Member MWh	7,574,908	7,563,534	11,374	8,053,207	(478,299)
North Star - \$/kWh	0.047307	0.051232	0.003925	0.047550	0.000243



**TIER**

	<u>Actual</u>	<u>Budget</u>	<u>Fav/(Unfav)</u>
Interest on Long-Term Debt	32,784	34,502	1,718
Net Margins	25,684	3,100	22,584
TIER - YTD September	1.78	1.09	0.69
TIER (12 months ending 9/30)	1.65	1.19	0.46

**Notes:**

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

## Capital Expenditures\*

### Year-to-Date

	Actual	Budget	Fav/(UnFav)
IS	1,270	2,375	1,105
Generation	13,576	30,402	16,826
Transmission	3,844	5,900	2,056
Other	273	2,044	1,771
ECP	0	10,293	10,293
<b>Total</b>	<b>18,963</b>	<b>51,014</b>	<b>32,051</b>

#### Explanation:

IS was favorable \$1,105 primarily due to timing of the Corporate Analytics, the Hyperion Upgrade, the Oracle R12 Upgrade, Members' Replacement of Hardware/Software and the Data Center Servers projects.

Generation was favorable by \$16,826. Coleman Station was favorable \$6,786 largely due to deferral of scheduled outage projects. Station-Two was favorable \$4,610 largely due to permanent favorability in the Burner Replacement, Turbine DCS Control, Auger Sampler, Barge Unloader Bucket, Bypass Stack Damper and Coal Pile Pumps projects, as well as timing variances relating to the H2 outage projects. Green Station was favorable \$4,602 primarily due to cancellation of various projects including: Gaitronic Phone System, Reclaim Feeder project, Office Building Hot Water Heater, Office Building Chiller, Coal Chute Impact Areas, Slaker Controls, as well as timing of the Heater Exchangers, Caustic Pumping System and Jordan Drives projects. Wilson Station was favorable \$828 largely due to cancelled outage projects, timing of the No. 1 Boiler Feed Pump, Landfill Drainage Control and Sewage Treatment Liner projects.

Transmission was favorable \$2,056 primarily due to timing of White Oak-50 MVA Substation, Garrett-Flaherty, Hancock Co. and Buttermilk Falls projects.

Other was favorable \$1,771 largely due to timing of vehicle replacement purchases, the deferral of the PCI Software projects, and the Reid Gas conversion project.

ECP was favorable \$10,293 due to the timing of the MATS project.

## Cash & Temporary Investments

	<u>Actual</u>	<u>Budget</u>	<u>Fav/(Unfav)</u>	2012 <u>Actual</u>	<u>Fav/(Unfav)</u>
<b>September 30th</b>	<b>86,492</b>	<b>114,211</b>	<b>(27,719)</b>	<b>113,250</b>	<b>(26,758)</b>

The September 30, 2013 cash balance compared to budget is unfavorable due to paying off the 1983 pollution control bonds, partially offset by beginning balance favorability of \$8.8m, and by changes in working capital.

The unfavorable variance to prior-year is driven by paying off the 1983 pollution control bonds, partially offset by changes in working capital.

Lines of Credit <u>As of September 30th</u>	
Original Amount	\$ 50,000
Letters of Credit Outstanding	(8,625)
Advances Outstanding	0
Available Lines of Credit	<u>\$ 41,375</u>

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

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

July 12, 2013

*First Update* July 24, 2013

*Second Update* August 21, 2013

*Third Update* September 20, 2013

*Fourth Update* October 22, 2013

*Fifth Update* November 26, 2013

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

4

5    **Response)** Big Rivers' detailed monthly income statement for the month ended  
6    October 31, 2013 is attached hereto. Big Rivers will provide detailed monthly  
7    income statements for each month up to and including the month in which the  
8    Commission hears this case, as the historical data becomes available.

9

10

11    **Witness)**    Billie J. Richert

12

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL</b>		BORROWER DESIGNATION KY0062		
INSTRUCTIONS - See help in the online application.		PERIOD ENDED Oct-13		
<b>SECTION A. STATEMENT OF OPERATIONS</b>				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	465,183,593.32	479,046,375.41	461,070,948.00	37,412,294.41
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	4,267,764.46	5,453,648.08	3,081,170.00	936,077.59
4. <b>Total Operation Revenues &amp; Patronage Capital (1 thru 3)</b>	<b>469,451,357.78</b>	<b>484,500,023.49</b>	<b>464,152,118.00</b>	<b>38,348,372.00</b>
5. Operating Expense - Production - Excluding Fuel	40,074,020.06	40,994,636.14	44,503,761.00	3,800,722.88
6. Operating Expense - Production - Fuel	184,003,990.83	186,424,646.85	197,698,265.00	14,057,367.62
7. Operating Expense - Other Power Supply	95,141,139.47	99,097,284.21	74,465,124.00	10,640,614.36
8. Operating Expense - Transmission	8,266,190.97	9,096,196.62	7,611,842.00	827,049.79
9. Operating Expense - RTO/ISO	1,854,300.95	1,963,489.84	1,787,707.00	139,474.20
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	209,047.62	0.00	0.00
12. Operating Expense - Customer Service & Information	486,721.91	1,046,320.21	1,234,702.00	145,488.57
13. Operating Expense - Sales	141,302.16	101,522.69	114,056.00	0.00
14. Operating Expense - Administrative & General	21,709,113.40	21,795,580.32	24,046,816.00	2,190,173.92
15. <b>Total Operation Expense (5 thru 14)</b>	<b>351,676,779.75</b>	<b>360,728,724.50</b>	<b>351,462,273.00</b>	<b>31,800,891.34</b>
16. Maintenance Expense - Production	34,633,485.94	29,725,996.80	37,121,057.00	2,903,620.32
17. Maintenance Expense - Transmission	4,068,748.48	3,831,759.33	4,272,939.00	487,733.88
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	141,845.50	214,283.69	180,123.00	23,504.84
21. <b>Total Maintenance Expense (16 thru 20)</b>	<b>38,844,079.92</b>	<b>33,772,039.82</b>	<b>41,574,119.00</b>	<b>3,414,859.04</b>
22. Depreciation and Amortization Expense	34,248,067.21	33,401,583.59	34,994,653.00	2,373,532.58
23. Taxes	4,060.88	2,392.92	885.00	<38.00>
24. Interest on Long-Term Debt	37,527,721.14	36,378,951.31	38,475,235.00	3,595,141.32
25. Interest Charged to Construction - Credit	<648,618.00>	<211,616.00>	<460,625.00>	<1,812.00>
26. Other Interest Expense	54,992.28	158.64	0.00	27.65
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	258,205.23	1,042,163.67	464,910.00	<28,571.97>
29. <b>Total Cost Of Electric Service (15 + 21 thru 28)</b>	<b>461,965,288.41</b>	<b>465,114,398.45</b>	<b>466,511,450.00</b>	<b>41,154,029.96</b>
30. <b>Operating Margins (4 less 29)</b>	<b>7,486,069.37</b>	<b>19,385,625.04</b>	<b>&lt;2,359,332.00&gt;</b>	<b>&lt;2,805,657.96&gt;</b>
31. Interest Income	577,687.96	1,607,077.43	1,688,172.00	155,152.29
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	0.00	0.00	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	58,674.04	2,041,282.33	1,271,325.00	0.00
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. <b>Net Patronage Capital Or Margins (30 thru 37)</b>	<b>8,122,431.37</b>	<b>23,033,984.80</b>	<b>600,165.00</b>	<b>&lt;2,650,505.67&gt;</b>

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

Revision Date 2010

BIG RIVERS ELECTRIC CORPORATION

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

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

July 12, 2013

*First Update* July 24, 2013

*Second Update* August 21, 2013

*Third Update* September 23, 2013

*Fourth Update* October 22, 2013

*Fifth Update* November 26, 2013

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

3

4

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

6

*(1) Accounting;*

7

*(2) Engineering;*

8

*(3) Legal;*

9

*(4) Consultants; and*

10

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

11

*For each category, the schedule should include the date of*

12

*each transaction; check number or other document*

13

*reference; the vendor, the hours worked; the rates per hour;*

14

*amount, a description of the services performed; and the*

15

*account number in which the expenditure was recorded.*

16

*Provide copies of contracts or other documentation that*

17

*support charges incurred in the preparation of this case.*

18

*Identify any costs incurred for this case that occurred*

19

*during the base period.*

Case No. 2013-00199

*Fifth Updated* Response to PSC 1-54

Witness: DeAnna M. Speed

Page 1 of 3

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

Fifth Updated Response to  
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Fifth Update November 26, 2013

- 1           b. *An itemized estimate of the total cost to be incurred for this*  
2           *case. Expenses should be broken down into the same*  
3           *categories as identified in (a) above, with an estimate of the*  
4           *hours to be worked and the rates per hour. Include a*  
5           *detailed explanation of how the estimate was determined,*  
6           *along with all supporting workpapers and calculations.*  
7           c. *Provide monthly updates of the actual costs incurred in*  
8           *conjunction with this rate case, reported in the manner*  
9           *requested in (a) above. Updates will be due when Big*  
10           *Rivers files its monthly financial statements with the*  
11           *Commission, through the month of the public hearing.*

12  
13 **Response)**

- 14           a. Copies of invoices supporting additional charges incurred are  
15           attached hereto.  
16           b. There is no change to the response provided on July 12, 2013.  
17           c. Please see Big Rivers' response to Item 54a above. Also, Big  
18           Rivers attaches hereto an updated schedule of rate case costs  
19           incurred-to-date through October 31, 2013.

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

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

**July 12, 2013**

***First Update* July 24, 2013**

***Second Update* August 21, 2013**

***Third Update* September 23, 2013**

***Fourth Update* October 22, 2013**

***Fifth Update* November 26, 2013**

1

2 **Witness)** DeAnna M. Speed

3





Wire #: 52819  
ck date: 10/25/13

# Invoice

Big Rivers Electric Corp.  
PO Box 24  
Henderson, KY 42419-0024

Invoice #: 13/6723-IN  
Invoice Date: 10/15/2013  
Due Date: 10/25/2013  
For the month of: September 2013

Attention: Billie Richert

Fax #: 270-827-2558

400003	Consulting Fees per Task Order No. 2 dated January 7, 2013 <i>Alcan Rate Case</i> <i>RWB</i> <i>10/16/13</i>	\$112.00
--------	--	----------

TOTAL AMOUNT DUE: \$112.00

Direct questions to:  
Kim Fuhrmann at ACES 317.344.7046

*DRBALSHT*  
*18665000*  
*0314*  
*0999*

Remit Payment via:

ACH Transfer:  
Account Name: ACES Power Marketing  
Account #: 8666823358  
ABA Routing #: 071000039  
Bank Name: Bank of America  
Bank Address: Chicago, Illinois

Wire Transfer (Please use ACH if possible):  
Account Name: ACES Power Marketing  
Account #: 8666823358  
ABA Routing #: 026009593  
Bank Name: Bank of America  
Bank Address: New York, New York

**RECEIVED**  
*10/16/13*

*2*

Big Rivers Electric Corporation  
 Project Code 609  
 Task Order No. 2 - State Regulatory Support

Employee	Period	Hours	Rate	Total	Description
Azman Brian	09/18/13	1.00	\$ 112.00	\$ 112.00	work done responding to rate case data requests

Subtotal 1.0 \$ 112.00

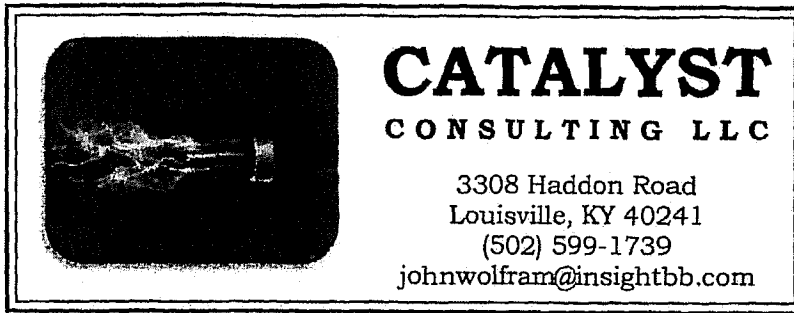
Travel Expenses -

Other Expenses -

Total Hourly Fees & Expenses 1.0 \$ 112.00

Title	Hourly Billing Rate
Company Officer	\$ 183.00
Executive Director	\$ 129.00
Other Staff	\$ 112.00

3



**INVOICE**

<b>Date:</b> November 1, 2013	<b>Invoice #:</b> 167
<b>Client:</b> Big Rivers Electric Corporation 201 Third Street Henderson, Kentucky 42420	<b>Project:</b> 2013 Rate Case (2) - Alcan Case No. 2013-00199  For Services Provided in October 2013

#	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for Alcan rate case. Review intervenor testimony: KIUC, AG, SC to develop data requests and rebuttal testimony. Review impacts of Century rate order on Alcan filing. Prepare updated responses to PSC 3-1 and 3-7. E-mails, calls, and meeting with Big Rivers' staff and counsel on same.	28.5 hours	\$175.00	\$ 4,987.50
2	Consulting Services	Irv Hurst – consulting support for Alcan rate case. Review intervenor testimony: KIUC, AG, SC to develop data requests and rebuttal testimony.	3.5 hours	\$150.00	\$ 525.00
3	Expenses	Mileage: 10/30 JW travel to Big Rivers	274	0.565	\$ 154.81
<b>TOTAL</b>					<b>\$ 5,667.31</b>

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

**RECEIVED**  
11/4/13  
DW

BRBALSHT  
18665000  
0314  
0999

**Big Rivers-Invoice for work performed in October**

Date: 11/06/2013

<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Total</u>
10/29/13	Review rebuttal testimony	4	
10/30/13	Review rebuttal testimony	<u>2</u>	
	Total Time-Hours	6	
<b>Total Service</b>			<b>\$1,500.00</b>

BRBALSHT  
18665000  
0314  
0999

Thanks for the opportunity to do business with Big Rivers

Daniel Walker  
7106 University Drive  
Richmond, Virginia 23229

**DINSMORE & SHOHL LLP**

*Charleston WV Cincinnati OH Columbus OH Dayton OH Frankfort KY Lexington KY  
Louisville KY Morgantown WV Philadelphia PA Pittsburgh PA Washington DC Wheeling WV*

Federal I.D.: 31-0263070

Big Rivers Electric Corporation  
201 Third Street  
P.O. Box 24  
Henderson KY 42419-0024

November 6, 2013  
Invoice # 3108893

Billing Attorney - Edward Tip Depp

Client Number - 75569.4  
Matter: In the Matter of The Application of Big Rivers  
Electric Corporation for a General Adjustment in Rates,  
Kentucky PSC Case No. 2013-00199 (Alcan Rate Case)

**Remittance Advice**

For Professional Services Rendered Through October 31, 2013:

Current Fee for Hours Worked	\$ 3,680.00
Attorney Costs	\$ 4,014.75
	<hr/>
Total Due for Professional Services	\$ 7,694.75
	<hr/>

**Payment Due on Receipt**

Please Return a Copy of this Remittance Advice with your Payment to:

Dinsmore and Shohl LLP  
P.O. Box 640635  
Cincinnati, Ohio 45264-0635

or

We accept Visa, Mastercard, American Express and Discover  
Please call (513) 977-8131 to initiate credit card payment.

*BRALSHT  
18665000  
0314  
0999*



Dinsmore & Shohl LLP  
Client Number – 75569.4

November 6, 2013  
Invoice # 3108893

**Matter: In the Matter of The Application of Big Rivers Electric Corporation for a General Adjustment in Rates, Kentucky PSC Case No. 2013-00199 (Alcan Rate Case)**

---

**Summary of Current Hours Worked**

<u>Timekeeper</u>	<u>Staff Level</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Edward Tip Depp	Partner	11.60	300.00	\$ 3,480.00
Kurt R Hunt	Associate	0.80	250.00	\$ 200.00
	<b>Total Hours / Fees</b>	<b>12.40</b>		<b>\$ 3,680.00</b>

**Summary of Current Attorney Costs Incurred**

Business Meals	\$ 121.45
Photocopies	\$ 7.35
Hotel Expense	\$ 3,086.72
Miscellaneous	\$ 112.19
Travel Mileage	\$ 687.04
<b>Total Attorney Costs</b>	<b>\$4,014.75</b>
<b>Current Amount Due This Invoice</b>	<b>\$7,694.75</b>

Dinsmore & Shohl LLP  
Client Number – 75569.4

November 6, 2013  
Invoice # 3108893

**Matter: In the Matter of The Application of Big Rivers Electric Corporation for a General Adjustment in Rates, Kentucky PSC Case No. 2013-00199 (Alcan Rate Case)**

**Detail of Current Hours Worked**

<u>Date</u>	<u>Tkpr</u>	<u>Description</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
10/01/13	ETD	Case No. 2013-00199: Review and respond to emails regarding potential procedural schedule adjustments.	300.00	0.50	150.00
10/03/13	ETD	Case No. 2013-00199: Prepare for and participate in informal conference regarding procedural schedule.	300.00	1.00	300.00
10/15/13	ETD	Case No. 2013-00199: Review and respond to emails with Ms. Speed regarding revised procedural schedule.	300.00	0.20	60.00
10/21/13	KRH	Case No. 2013-00199: Communications with team re: testimony; reviewed scheduling order.	250.00	0.10	25.00
10/28/13	ETD	Case No. 2013-00199: Review intervenor testimony; review and respond to emails with opposing counsel regarding same; review and respond to emails with Mr. Cook regarding confidentiality agreements.	300.00	1.20	360.00
10/28/13	KRH	Case No. 2013-00199: Analyzed intervenor testimony.	250.00	0.30	75.00
10/29/13	ETD	Case No. 2013-00199: Review intervenor testimony.	300.00	3.50	1,050.00
10/29/13	KRH	Case No. 2013-00199: Analyzed intervenor testimony.	250.00	0.10	25.00
10/30/13	ETD	Case No. 2013-00199: Review intervenor testimony.	300.00	3.20	960.00
10/31/13	ETD	Case No. 2013-00199: Review intervenor testimony; prepare for conference call with client to review same.	300.00	2.00	600.00
10/31/13	KRH	Case No. 2013-00199: Analyzed intervenor testimony.	250.00	0.30	75.00
		Total Hours		12.40	

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

Invoice # 120,120  
Our file # 17356 00504  
Billing through 10/31/2013

**Rate Case 2013 - 2013-00199**

**BALANCE SUMMARY**

Balance Forward As Of Last Invoice	\$36,829.50
Payments Applied Since Last Invoice	-\$36,829.50
Total current charges	\$11,145.00
<b>BALANCE DUE</b>	<b>\$11,145.00</b>

**FOR PROFESSIONAL SERVICES RENDERED**

10 01 2013	JMM	Review and discuss with various team members scheduling issues raised in case; consider schedule alternatives; conference call with Big Rivers team re same; attention to rebuttal preparation.	1.30	220.00	286.00
10 01 2013	TAK	Conference calls re: Case No. 2013-00199; Conference with James Miller; phone calls to Chris Hopgood, Melissa Yates, Tom Brite; work re: Sierra Club request to change procedural schedule.	1.60	170.00	272.00
10 02 2013	JMM	Conference with Albergotti; conference with Kamuf; consider scheduling issues, including messages from parties.	1.60	220.00	352.00
10 02 2013	TAK	Calls with Chris Hopgood, Melissa Yates, Tom Brite re: Case No. 2013-00199; work re: Sierra Club/AG request to change procedural schedule.	2.40	170.00	408.00
10 03 2013	TAK	Informal telephonic conference in Case No. 2013-199; prepare for and work re: same; work on data request updates; research.	4.10	170.00	697.00
10 04 2013	JMM	Conference with various Big Rivers team members re rebuttal strategies.	0.30	220.00	66.00
10 04 2013	TAK	Review and draft correspondence regarding Case No. 2013-00199.	0.20	170.00	34.00
10 08 2013	JMM	Conference with Albergotti re rebuttal strategies; conference with Billie Richert.	0.50	220.00	110.00
10 09 2013	JMM	Conference with Big Rivers team re case strategies; attention to same.	1.00	220.00	220.00
10 11 2013	JMM	Review information re rebuttal and other strategies for balance of case.	1.10	220.00	242.00



10 15 2013	JMM	Review research re witnesses; review procedural order.	0.40	220.00	88.00
10 15 2013	TAK	Review order in Case No. 2013-00199; review staff memorandum; review schedule; review information on potential witness.	2.40	170.00	408.00
10 17 2013	JMM	Research re anticipated rebuttal issues.	0.80	220.00	176.00
10 18 2013	JMM	Review draft update to data request responses and comment on same.	0.50	220.00	110.00
10 18 2013	TAK	Work on data request updates and revisions in Case No. 2013-00199; draft petition for confidential treatment and motion for deviation; drive to and from Henderson.	7.80	170.00	1,326.00
10 21 2013	TAK	Research for Case No. 2013-00199.	3.80	170.00	646.00
10 22 2013	TAK	Research for Case No. 2013-00199.	1.30	170.00	221.00
10 23 2013	JMM	Conference with Albergotti; attention to logistics issues.	0.40	220.00	88.00
10 23 2013	TAK	Research for Case No. 2013-00199.	2.50	170.00	425.00
10 25 2013	TAK	Research for Case No. 2013-00199.	3.10	170.00	527.00
10 28 2013	JMM	Conference with Gaines; receipt and commence review of intervenor testimony; conference with Billie Richert.	1.80	220.00	396.00
10 28 2013	TAK	Review intervenor testimony in Case No. 2013-00199.	4.80	170.00	816.00
10 29 2013	JMM	Commence review of intervenor testimony.	0.90	220.00	198.00
10 29 2013	TAK	Review intervenor testimony in Case No. 2013-00199 and work re same.	6.70	170.00	1,139.00
10 30 2013	JMM	Attention to arrangements for preparation of rebuttal.	0.90	220.00	198.00
10 30 2013	TAK	Conference with Jim Miller regarding Case No. 2013-00199; call with Kurt Boehm; work regarding intervenor testimony.	2.70	170.00	459.00
10 31 2013	JMM	Respond to messages from Billie Richert; conference with Albergotti; conference with Bob Berry re rebuttal preparation.	0.60	220.00	132.00
10 31 2013	TAK	Review draft data request updates; call with John Wolfram; work re: data request to intervenors and rebuttal testimony; calls to Ted Kelly.	6.50	170.00	1,105.00

**TIMEKEEPER SUMMARY**

JMM	Miller, James	12.10	\$220.00	2,662.00
TAK	Kamuf, Tyson	49.90	\$170.00	8,483.00
<b>Total fees for this matter</b>				<u>11,145.00</u>

**BILLING SUMMARY**

TOTAL PROFESSIONAL SERVICES	\$11,145.00
TOTAL OUT-OF-POCKET EXPENSES	\$0.00
TOTAL CURRENT CHARGES	<u>\$11,145.00</u>

TOTAL BALANCE DUE UPON RECEIPT

\$11,145.00

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

Line No.	Month Booked	Check Number	Vendor	Invoice Number	Amount	Account	Description	Base Period
1	October 2013	52819	ACES Power Marketing	13/6723-IN	\$ 112.00	186	Consulting	Note 1
2	October 2013	535457	Catalyst Consulting LLC	167	5,667.31	186	Consulting	Note 1
3	October 2013	535459	Dinsmore & Shohl LLP	3108893	7,694.75	186	Legal	
4	October 2013	535474	Sullivan, Mountjoy, Stainback & Miller	120,120	11,145.00	186	Legal	Note 1
5	October 2013	535458	Daniel M. Walker	Big Rivers-October Invoice	1,500.00	186	Consulting	Note 1
6			<b>Total - October 2013</b>		<b>26,119.06</b>			
7			<b>Total To-Date September 2013</b>		<b>504,128.52</b>			
8			<b>Total To-Date October 2013</b>		<b>\$ 530,247.58</b>			

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

BIG RIVERS ELECTRIC CORPORATION

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

Second Updated Response to  
Commission Staff's Third Request for Information  
dated September 16, 2013

September 30, 2013  
First Update October 22, 2013  
Second Update November 26, 2013

1 Item 3) *Refer to the response to Item 10 of Staff's Second Request.*

2

3 a. *Refer to the response to part a. Provide the reserve funds*  
4 *balances as of August 31, 2013. Consider this a*  
5 *continuing request to provide the updated balances of*  
6 *each of the reserve funds on a monthly basis throughout*  
7 *this proceeding.*

8 b. *Refer to the response to part b. The response states that*  
9 *the offset for the Rural class would be \$23.76 per MWh.*  
10 *Confirm that the offset for the Large Industrial class*  
11 *would be \$15.80 per MWh. If this cannot be confirmed,*  
12 *provide the amount and how it was calculated.*

13 c. *Refer to the attachment to the response to part c, page 2 of*  
14 *3, the Wholesale columns. Explain why the "Rate After*  
15 *Depletion" would not be the same under each of the three*  
16 *scenarios shown.*

17

18 Response)

19 a. As of October 31, 2013, the balance of the Economic Reserve is  
20 \$62,759,427.91 and the balance of the Rural Economic Reserve

**BIG RIVERS ELECTRIC CORPORATION**

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***Second Updated* Response to  
Commission Staff's Third Request for Information  
dated September 16, 2013**

**September 30, 2013**

***First Update* October 22, 2013**

***Second Update* November 26, 2013**

1 is \$65,373,169.13. Big Rivers will provide monthly updates  
2 throughout this proceeding.

3 b. Big Rivers' prior response, filed on September 30, 2013, remains  
4 unchanged.

5 c. Big Rivers' prior response, filed on September 30, 2013, remains  
6 unchanged.

7

8

9 Witness) Billie J. Richert

10