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RECEIVED

DEC 05 2013

PUBLIC SERVICE
COMMISSION

Via Overnight Mail

December 4, 2013

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: Case No. 2013-00413

Dear Mr. Derouen:

Please find enclosed the original and ten (10) copies of the KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC's FIRST SET OF DATA REQUESTS TO BIG RIVERS ELECTRIC CORPORATION and KENERGY CORP. for filing in the above-referenced matter.

By copy of this letter, all parties listed on the Certificate of Service have been served. Please place these documents of file.

Very Truly Yours,



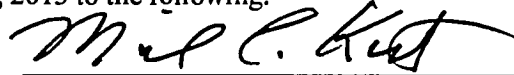
Michael L. Kurtz, Esq.
Kurt J. Boehm, Esq.
Jody Kyler Cohn, Esq.
BOEHM, KURTZ & LOWRY

MLKkew
Attachment

cc: Certificate of Service
Quang Nyugen, Esq.
Richard Raff, Esq.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by electronic mail (when available) and by regular, U.S. mail, unless other noted, this 4th day of December, 2013 to the following:



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**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

RECEIVED

DEC 05 2013

**PUBLIC SERVICE
COMMISSION**

IN THE MATTER OF: JOINT APPLICATION OF
KENERGY CORP. AND BIG RIVERS ELECTRIC
CORPORATION FOR APPROVAL OF CONTRACTS
AND FOR A DECLARATORY ORDER

:
:
:

Case No. 2013-00413

**KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.'s
FIRST SET OF DATA REQUESTS
TO
BIG RIVERS ELECTRIC CORPORATION
AND
KENERGY CORP.**

Dated: December 4, 2013

DEFINITIONS

1. "Document(s)" is used in its customary broad sense and includes electronic mail and all written, typed, printed, electronic, computerized, recorded or graphic statements, memoranda, reports, communications or other matter, however produced or reproduced, and whether or not now in existence, or in your possession.
2. "Correspondence" is used in its customary broad sense and includes electronic email, including all attachments, and all written mail, messages and communications between the persons or parties named in the request.
3. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion whether preliminary or final, and whether or not referred to in Big Rivers' direct testimony.
4. If any document requested herein was at one time in existence, but has been lost, discarded or destroyed, identify such document as completely as possible, including the type of document, its date, the date or approximate date it was lost, discarded or destroyed, the identity of the person (s) who last had possession of the document and the identity of all persons having knowledge of the contents thereof.
5. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
6. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.
7. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number of code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Company's possession or subject to its control, state what disposition was made of it.
8. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
9. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
10. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.
11. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.
12. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.
13. "BREC" or "Big Rivers" means Big Rivers Electric Corporation and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.
14. "Kenergy" means "Kenergy Corp." and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.
15. "Century" means Century Aluminum Sebree LLC or Century Aluminum Company and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

16. "Alcan" means Alcan Primary Products Corporation and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.
17. "MISO" means the Midwest Independent System Operator or Midcontinent Independent System Operator and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.
2. These interrogatories are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Kentucky Industrial Utility Customers. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.
3. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.
4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.
6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.
8. Responses to requests for revenue, expense and rate base data should provide data on the basis of Total Company as well as Intrastate data, unless otherwise requested.

FIRST SET OF DATA REQUESTS OF
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.
TO BIG RIVERS ELECTRIC CORPORATION
2013-00413

Q.1-1. Please refer to the following paragraph in the letter from Alcan Primary Products Corporation (“APPC”) President Jack Miller dated January 31, 2013 (Exhibit 1 to the Application) providing its Notice of Termination:

APPC appreciates the recent efforts of Big Rivers in offering proposals that would restructure the rate formula and other basic terms and conditions of the Agreement. While we are not in agreement at the present time we welcome continuation of those discussions during the pendency of the rate case in hopes of reaching a mutually acceptable accord. We believe that further discussions would not be inconsistent with this Notice of Termination and indeed are appropriate in order to find ways to retain the jobs and preserve the economic benefits of those jobs for the Commonwealth of Kentucky.

- a. Please provide a copy of all service and rate proposals and related documents “that would restructure the rate formula and other basic terms and conditions of the Agreement” offered by APPC to Big Rivers and/or Kenergy since January 1, 2012 to the present.
- b. Please provide a copy of all service and rate proposals and related documents “that would restructure the rate formula and other basic terms and conditions of the Agreement” offered by Big Rivers and/or Kenergy to APPC since January 1, 2012 to the present.
- c. Please provide a copy of all service and rate proposals and related documents offered by Century to Big Rivers and/or Kenergy for the Sebree Smelter since January 1, 2013.
- d. Please provide a copy of all service and rate proposals and related documents offered by Big Rivers and/or Kenergy to Century for the Sebree Smelter since January 1, 2013.

Q.1-2. Please refer to Section 4.1 (Monthly Charge) of the Electric Service Agreement between Kenergy Corp. and Century Aluminum Sebree LLC.

- a. On a per Mwh basis over the first 24 months of the Agreement, please provide Kenergy’s estimated cost to provide each of the services listed in Sections 4.1.1 through 4.1.6.

Q.1-3. Please refer to Section 4.1 (Monthly Charge) of the Arrangement and Procurement Agreement between Big Rivers Electric Corporation and Kenergy Corp.

- a. On a per Mwh basis over the first 24 months of the Agreement, please provide Big Rivers’ estimated cost to provide each of the services listed in Sections 4.1.1 through 4.1.6.

Q.1-4. Please refer to Sections 5.1 (Market Invoices) and 5.2 (Monthly Invoices For Other Amounts) of the Electric Service Agreement between Kenergy Corp. and Century Aluminum Sebree LLC.

- a. On a per Mwh basis over the first 24 months of the Agreement, please provide Kenergy’s estimated cost to provide service under Sections 5.1 and 5.2 of the Agreement.

- Q.1-5. Please refer to Sections 5.1 (Market Invoices) and 5.2 (Monthly Invoices For Other Amounts) of the Arrangement and Procurement Agreement between Big Rivers Electric Corporation and Kenergy Corp.
- a. On a per Mwh basis over the first 24 months of the Agreement, please provide Big Rivers' estimated cost to provide service under Sections 5.1 and 5.2 of the Agreement.
- Q.1-6. On an all-in fully delivered basis, over the first 24 months of the proposed Electric Service Agreement, please provide the estimated cost that Kenergy projects that Century Aluminum Sebree LLC will pay for Electric Services as that term is defined in Section 1.1.31. Please provide all supporting work papers that were used in quantifying your answer.
- Q.1-7. On an all-in fully delivered basis, over the first 24 months of the proposed Arrangement and Procurement Agreement, please provide the estimated cost that Big Rivers projects that Kenergy Corp. will pay for Electric Services as that term is defined in Section 1.1.30. Please provide all supporting work papers that were used in quantifying your answer.
- Q.1-8. Please provide a copy of all requests to APPC from Big Rivers and/or Kenergy for financial information (revenues, production costs, income statement, balance sheet, etc.) to determine the profitability, or lack thereof, of the Sebree Smelter and a copy of all responses thereto for the two years prior to APPC's Notice of Termination.
- Q.1-9. Please provide a copy of all requests to APPC from Big Rivers and/or Kenergy for financial information (revenues, production costs, income statement, balance sheet, etc.) to determine the profitability, or lack thereof, of the Sebree Smelter and a copy of all responses thereto after APPC's Notice of Termination.
- Q.1-10. Please provide a copy of all requests to Century from Big Rivers and/or Kenergy for financial information (revenues, production costs, income statement, balance sheet, etc.) to determine the profitability, or lack thereof, of the Sebree Smelter and a copy of all responses thereto if the currently effective power contract remains in place.
- Q.1-11. Please provide a copy of all requests to Century from Big Rivers and/or Kenergy for financial information (revenues, production costs, income statement, balance sheet, etc.) to determine the profitability, or lack thereof, of the Sebree Smelter and a copy of all responses thereto if market based pricing for generation service is approved by the Commission as requested in the Joint Application.
- Q.1-12. Please refer to the following statement on page 5 of Mr. Starheim's Direct Testimony:

Alcan represented to Kenergy that it might keep the Sebree smelter in operation if Kenergy could provide the company with power supply from the wholesale power market, along the lines of what was being offered to Century Hawesville, rather than from Big Rivers.

- a. Please provide a copy of all correspondence and all other documents related to the negotiations between Big Rivers and/or Kenergy and Alcan to "provide the company with power supply from the wholesale power market, along the lines of what was being offered to Century Hawesville, rather than form Big Rivers."

- b. Please provide a copy of all financial analysis performed by Big Rivers and/or Kenergy to determine if a market based power supply was necessary to keep the Sebree smelter in operation.

Q.1-14. Refer to page 20 of Mr. Starheim's Direct Testimony wherein he states that "*Kenergy's board of directors has approved the Century Sebree Transaction.*" Please provide a copy of all correspondence, all materials, and all other documents provided to the Kenergy Board of Directors in conjunction with the negotiations with Century and the approval of the Century Sebree Transactions, as well as the approval of the final documents filed in this proceeding.

Q.1-15. Refer to pages 22-23 of Mr. Starheim's Direct Testimony wherein he makes the following statement:

As noted above, the Century Sebree Transaction provides Century Sebree with the market-priced power supply it says it needs to keep the Sebree smelter in operation. Helping Century Sebree achieve this result is beneficial to Kenergy, its members, and in a broader sense, the regional economy of Western Kentucky.

- a. Please provide a copy of all materials, all documents, and all analyses prepared by or for Century and/or Kenergy and/or Big Rivers that quantifies the Century Sebree Smelter's profitability and/or the effects of replacing the currently effective Smelter rates with "*the market-priced power supply it says it needs to keep the Sebree smelter in operation.*"

Q.1-16. Refer to pages 4-5 of Mr. Berry's Direct Testimony wherein he describes his role as the "principal negotiator" in both the Century Hawesville Transaction and the Century Sebree Transaction.

- a. Please describe all efforts by Big Rivers to require Century to pay a stranded cost fee or market access fee in addition to the direct costs to serve Sebree under the new market transaction structure. Provide a copy of all correspondence, all other documents, and all analyses in conjunction with such efforts.
- a. Please describe all efforts by Big Rivers to determine the profitability of the Sebree smelter and/or its ability to pay a stranded cost fee or market access fee in addition to the direct costs to serve them under the new market transaction structure. Provide a copy of all correspondence, all other documents, and all analyses in conjunction with such efforts.
- b. Please describe all analyses by, prepared on behalf of, or otherwise provided or otherwise available to, Big Rivers to quantify the savings that Alcan and/or Century would achieve by terminating the currently effective contract and instead acquiring the power requirements for the Sebree smelter in the market.

Q.1-17. Other than the public filings made in this case, please provide a copy of all correspondence and all other that documents comprising communications with any governmental official at the state or local level addressing the termination of the currently effective Sebree power contract.

Q.1-18. Please provide a copy of all correspondence and all documents exchanged between Big Rivers and the Rural Utilities Service relating to the termination of the currently effective Sebree power

contract, the development of a new electric rate for Sebree, or the documents filed by Big Rivers in this proceeding.

Q.1-19. Refer to page 43 of Mr. Berry's Direct Testimony wherein he states that "*Big Rivers' board of directors has approved the Century Sebree Transaction, including the Letter Agreement and seeking the declaratory relief requested in the application.*" Please provide a copy of all correspondence, all materials, and all documents provided to the Big Rivers Board of Directors in conjunction with the negotiations with Century and the approval of the Century Sebree Transactions, as well as the approval of the final documents filed in this proceeding.

Q.1-20. Please refer to MISO's April 7, 2010 Response to KIUC data request 1-8 in Case No. 2010-00043, MISO's August 20, 2010 Supplemental data responses to Commission Staff in Case No. 2010-00043 and Big Rivers' September 25, 2013 letter to the Commission docketed in Case No. 2010-00043.

- a. Please confirm that the Wholesale Power Contracts between Big Rivers and Kenergy, Jackson Purchase and Meade County for service to the Rural and Large Industrial customer classes are "grandfathered" and are therefore exempt from MISO charges for Multi-Value Projects (MVP) under Schedule 26A. If not, please explain.
- b. Please confirm that no Schedule 26A costs associated with service to the smelters are or will be collected in Rural or Large Industrial Rates. If not, please explain.
- c. Please confirm that the Wholesale Power Contracts between Big Rivers and Kenergy, Jackson Purchase and Meade County for service to the Rural and Large Industrial customer classes are "grandfathered" and are therefore exempt from MISO charges for Baseline Reliability Projects, Generation Interconnection Projects, and Market Efficiency Projects (MTEP) under Schedule 26. If not, please explain.
- d. Please confirm that no Schedule 26 costs associated with service to the smelters are or will be collected in Rural or Large Industrial Rates. If not, please explain.
- e. Please confirm that neither smelter contract is "grandfathered" and that both smelters are therefore directly assigned all Schedule 26 and 26A costs incurred by Big Rivers for service to the smelters. If not, please explain.
- f. For the first year of the proposed Century Sebree Transaction please identify all projected Schedule 26A costs that will be incurred by Big Rivers and the amount that Century Sebree will pay. Please identify the amount of Schedule 26A costs that Century Hawesville will pay over the same time period.
- g. For the first year of the proposed Century Sebree Transaction please identify all projected Schedule 26 costs that will be incurred by Big Rivers and the amount that Century Sebree will pay. Please identify the amount of Schedule 26 costs that Century Hawesville will pay over the same time period.
- h. Please identify the contractual provision(s) whereby Century will be directly assigned the Schedule 26 and 26A costs it has caused.

- i. Please confirm that Big Rivers does not view MTEP and/or MVP costs to be system costs which should be allocated among the Rural, Large Industrial and Smelter customers.

Q.1-21. Refer to page 19 of the Commission's August 14, 2013 Order in Case No. 2013-00221. Please provide all quarterly financial reports detailing Big Rivers' and Kenergy's respective revenues and expenses for each component of the Century Transaction Agreements that have been filed to date.

Respectfully submitted,



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Jody Kyler Cohn, Esq.

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December 4, 2013

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