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PUBLIC SERVICE
COMMISSION

December 12, 2013

VIA FEDERAL EXPRESS

Jeff Derouen
Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

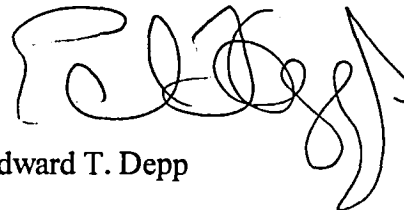
**Re: *Joint Application of Kenergy Corp.*)
 and Big Rivers Electric Corporation)
 for Approval of Contract and for a)
 Declaratory Order) *Case No. 2013-00413***

Dear Mr. Derouen:

Enclosed are an original and ten copies of Kenergy Corp. and Big Rivers Electric Corporation's: (1) Responses to the Commission Staff's Initial Request for Information; (2) Responses to the Office of the Attorney General's Initial Data Requests; and (3) Responses to the Kentucky Industrial Utility Customers, Inc.'s First Set of Data Requests.

I certify that on the date these documents are filed with the Commission, they will be served on all persons on the attached service list by Federal Express.

Sincerely,



Edward T. Depp

ETD/lb
Enclosures

Certificate of Service
Kentucky PSC Case No. 2013-00413

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**PUBLIC SERVICE
COMMISSION**

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

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

**Response to the Commission Staff's Initial Request for Information
to Big Rivers Electric Corporation and Kenergy Corp.
dated December 5, 2013**

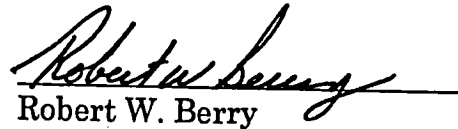
FILED: December 13, 2013

BIG RIVERS ELECTRIC CORPORATION
JOINT APPLICATION OF KENERGY CORP.
AND BIG RIVERS ELECTRIC CORPORATION
FOR APPROVAL OF CONTRACTS AND
FOR A DECLARATORY ORDER
CASE NO. 2013-00413

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COMMISSION

VERIFICATION

I, Robert W. Berry, 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.


Robert W. Berry

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Robert W. Berry on this
the 9th day of December, 2013.


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

BIG RIVERS ELECTRIC CORPORATION
JOINT APPLICATION OF KENERGY CORP.
AND BIG RIVERS ELECTRIC CORPORATION
FOR APPROVAL OF CONTRACTS AND
FOR A DECLARATORY ORDER
CASE NO. 2013-00413

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 9th day of December, 2013.


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

BIG RIVERS ELECTRIC CORPORATION

**JOINT APPLICATION OF KENERGY CORP.
AND BIG RIVERS ELECTRIC CORPORATION
FOR APPROVAL OF CONTRACTS AND
FOR A DECLARATORY ORDER
CASE NO. 2013-00413**

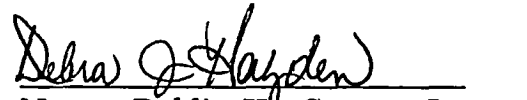
VERIFICATION

I, Gregory J. Starheim, 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.


Gregory J. Starheim

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Gregory J. Starheim on
this the 6th day of December, 2013.


Notary Public, Ky. State at Large
My Commission Expires 5-24-15

BIG RIVERS ELECTRIC CORPORATION
JOINT APPLICATION OF KENERGY CORP. AND
BIG RIVERS ELECTRIC CORPORATION
FOR APPROVAL OF CONTRACTS AND FOR A DECLARATORY ORDER
CASE NO. 2013-00413

Response to the Commission Staff's
Initial Requests for Information
dated December 5, 2013

December 13, 2013

1 **Item 1)** *Refer to pages 17 and 38 of 47 of the Direct Testimony of Robert W. Berry*
2 *("Berry Testimony") regarding the Protective Relay Agreement and the fact that Century*
3 *Aluminum Sebree LLC ("Century Sebree") has not decided at this time to install protective*
4 *relay equipment at its smelter facility. State whether Century Sebree indicated what event(s)*
5 *would trigger its decision to install protective relays and how much load could be curtailed at*
6 *the Sebree smelter facility if the protective relays were engaged.*

7

8 **Response)** Century Sebree has not specifically defined what event(s) would trigger its
9 decision to install protective relays. However, in a phone conversation with Century's Michael
10 Early on Thursday December 5, 2013, Mr. Early indicated Century is having its consultant
11 evaluate a potential Special Protection System (SPS) to be installed at the Sebree smelter. The
12 benefit to Century of installing an SPS is that it could potentially reduce the frequency and
13 duration of a load curtailment. With an SPS installed, if a load curtailment were necessary the
14 SPS would curtail Century's load on a post-contingent basis (i.e., after an actual event occurs);
15 without the SPS installed, Century could be curtailed on a pre-contingent basis (i.e., the event
16 has not occurred but there is reason to believe it may occur).

17

BIG RIVERS ELECTRIC CORPORATION
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1 Witness) Robert W. Berry

BIG RIVERS ELECTRIC CORPORATION
JOINT APPLICATION OF KENERGY CORP. AND
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Response to the Commission Staff's
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December 13, 2013

1 **Item 2)** *Refer to pages 37-38 of 47 of the Berry Testimony, which discuss the*
2 *differences between the Century Hawesville Transaction, the Century Sebree Transaction,*
3 *and the Load Curtailment Agreement. Starting at line 3 on page 38, Mr. Berry states that*
4 *"MISO requires a similar agreement for the Century Hawesville Transaction if the SSR*
5 *Agreement is to be terminated, but MISO had not made this known at the time the Century*
6 *Hawesville Transaction documents were entered into." Explain whether a Load*
7 *Curtailment Agreement has now been entered into for the Century Hawesville Transaction.*

8

9 **Response)** A Load Curtailment Agreement (LCA) for the Century Hawesville Transaction
10 has not yet been entered into. The LCA for Century Hawesville and the LCA for Century
11 Sebree should be essentially the same with one potential exception. Due to the more severe
12 and frequent transmission constraints caused by the operation of the Century Hawesville
13 facility with the Coleman generating units idled, it is my understanding MISO will need to
14 approve the LCA for the Century Hawesville transaction as a condition to termination of the
15 SSR agreement with respect to Coleman.

16

17 **Witness)** Robert W. Berry

BIG RIVERS ELECTRIC CORPORATION
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Response to the Commission Staff's
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dated December 5, 2013

December 13, 2013

1 **Item 3)** *Refer to page 40 of 47 of the Berry Testimony. Beginning at line 3, Mr. Berry*
2 *states that the table provided on page 40 identifies revenue that Big Rivers will receive if the*
3 *Century Sebree Transaction receives all necessary approvals. Mr. Berry states that the*
4 *revenue is not reflected in Case No. 2013-00199.¹ State whether Big Rivers believes the*
5 *revenue amount of \$6,719,135 shown in the table should be reflected in Case No. 2013-*
6 *00199 for the Century Sebree Transaction if it is approved. If Big Rivers does not believe*
7 *this revenue should be reflected in Case No. 2013-00199, explain why.*

8

9 **Response)** Big Rivers believes the \$821,554 reflected in the table on page 40 row 14 of
10 Mr. Berry's direct testimony should be reflected in Case No. 2013-00199. Big Rivers is
11 proposing in Case No. 2013-00199 that any transmission revenue received from the smelters
12 be transferred into the Economic Reserve. This will allow Big Rivers the opportunity to pass
13 the revenue on to its Members by offsetting a portion of the rate increase as long as Big Rivers
14 continues to receive the transmission revenue. Big Rivers proposes this treatment because the
15 transmission revenue can fluctuate often and quickly; the transmission rate can also change
16 from year to year based on the cost to maintain the transmission system. For example, if the

¹ Case No. 2013-00199, *Application of Big Rivers Electric Corporation for a General Adjustment in Rates Supported by Fully Forecasted Test Year*, filed June 28, 2013.

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1 Century load is curtailed or if Century temporarily closes a pot line, Big Rivers could
2 experience a significant decrease in revenue without the time needed to file and process a rate
3 increase. Using the transmission revenue to replenish the Economic Reserve fund would
4 provide the same financial benefit to Big Rivers Members (offsetting the rate increase) as
5 reducing the revenue requirement requested in Case No. 2013-00199. This treatment would
6 also mitigate the potential financial hardship on Big Rivers and its Members if the transmission
7 revenue is abruptly reduced or ceases entirely.

8

9 **Witness)** Robert W. Berry

BIG RIVERS ELECTRIC CORPORATION
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Response to the Commission Staff's
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- 1 **Item 4)** *Refer to Exhibit 5 of the application, the Electric Service Agreement.*
- 2 **a.** *Refer to page 24. Section 8.1, Metering Facilities, states that "Kenergy will*
- 3 *provide or cause to be provided metering facilities at the Delivery Point that*
- 4 *measure Hourly kW, kWh, kilovars, kilovar-hours and voltage-hours." State*
- 5 *whether the metering facilities are already in place as a result of Kenergy's*
- 6 *providing service to the Century Sebree smelter under the 2009 Retail Electric*
- 7 *Service Agreement ("2009 Retail Agreement"). If not, explain why the*
- 8 *facilities are not currently necessary and provide the estimated cost of*
- 9 *installing and maintaining the metering facilities.*
- 10 **b.** *Refer to page 25. Section 9.2, Facilities Provided by Kenergy, states that*
- 11 *"Kenergy shall install and maintain, or shall cause to be installed and*
- 12 *maintained, at the Delivery Point, any and all interconnection equipment,*
- 13 *metering, or substation equipment, and other equipment, including switching*
- 14 *and protective equipment but excluding any Protective Relays, necessary to*
- 15 *deliver Energy to Century at the Delivery Point." State whether this*
- 16 *equipment is already in place as a result of Kenergy's providing service to the*
- 17 *Century Sebree smelter under the 2009 Retail Agreement. If not, explain why*

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dated December 5, 2013

December 13, 2013

1 *the equipment is not currently necessary and provide the estimated cost of*
2 *installing and maintaining the equipment.*

3

4 **Response)**

5 a. Yes, the appropriate metering facilities are already in place and are the same
6 metering facilities that are currently being used to serve Century-Sebree under
7 the 2009 Retail Agreement.

8 b. Yes, the appropriate equipment is already in place, and it is the same equipment
9 that is currently being used to serve Century-Sebree under the 2009 Retail
10 Agreement.

11

12 **Witness)** Gregory J. Starheim