

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF BIG RIVERS) CASE NO.
ELECTRIC CORPORATION FROM NOVEMBER 1,) 2014-00230
2013 THROUGH APRIL 30, 2014)

AN EXAMINATION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF BIG RIVERS) CASE NO.
ELECTRIC CORPORATION FROM NOVEMBER 1,) 2014-00455
2012 THROUGH OCTOBER 31, 2014)

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION TO
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

Kentucky Industrial Utility Customers, Inc. ("KIUC"), pursuant to 807 KAR 5:001, is to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due on or before May 8, 2015. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

KIUC shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which KIUC fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, KIUC shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Direct Testimony of Lane Kollen ("Kollen Testimony"), page 8. Provide the source for the information reflected in the table on this page.

2. Refer to the Kollen Testimony, page 12, lines 2-11. Is it KIUC's position that there is no benefit to Big Rivers Electric Corporation's ("Big Rivers") members from Big Rivers' increase in off-system sales and for the Wilson unit to remain in service to make those sales?

3. Refer to the Kollen Testimony, page 12, lines 7-9. Does KIUC agree that if Big Rivers was not able to make off-system sales, the Wilson unit would be idled? If

so, state whether KIUC believes that operation of the Wilson unit reduces Big Rivers' system-average fuel costs.

4. Refer to the Kollen Testimony, pages 15-16.

a. State whether KIUC believes that the March 5, 1996 Order in Case No. 94-458¹ required the use of the incremental-cost methodology when allocating fuel costs to off-system sales or that the Commission found it to be a reasonable, but not required, methodology.

b. KIUC's position in Case No. 94-458 was that the system-average methodology should be used for allocating fuel costs to off-system sales. In the instant proceeding, KIUC's position is that a different methodology (based on that used by East Kentucky Power Cooperative, Inc. and Duke Energy Kentucky, Inc.) should be used. State whether KIUC believes: 1) that the Commission should require a specific methodology be employed by all electric utilities regardless of the results; 2) that the Commission should require the use of whichever methodology produces the lowest fuel costs for native-load customers, regardless of how often this requirement causes a change in methodology; or 3) that the Commission should allow different methodologies to be used by different utilities, so long as they are considered reasonable by the Commission.

5. Refer to the Kollen Testimony, pages 19-20.

a. Provide all spreadsheets developed by Mr. Kollen in his calculation of a fuel refund of \$11.77 million and an interest refund of \$1.57 million. The

¹ Case No. 94-458, *In the Matter of an Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Big Rivers Electric Corporation from November 1, 1992 to October 31, 1994* (Ky. PSC Mar. 5, 1996).

spreadsheets should be provided in Excel format with the formulas intact and unprotected and with all columns and rows accessible.

b. Explain why Mr. Kollen believes it is fair to require a change in a utility's fuel methodology outside of a base-rate proceeding.



Jeff Derouen
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DATED APR 22 2015

cc: Parties of Record

Case No. 2014-00230
Case No. 2014-00455

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