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RECEIVED

JUL 31 2014

PUBLIC SERVICE  
COMMISSION

**Via Overnight Mail**

July 30, 2014

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

Re: **Case No. 2014-00134**

Dear Mr. Derouen:

Please find enclosed the original and ten (10) copies of KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.'s SECOND SET OF DATA REQUESTS TO BIG RIVERS ELECTRIC CORPORATION 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.

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

IN THE MATTER OF: BIG RIVERS ELECTRIC CORPORATION'S :  
FILING) OF WHOLESALE CONTRACTS PURSUANT TO KRS : Case No. 2014-00134  
278.180 AND 807 KAR 5:011 §13 :

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**KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.'s**

**SECOND SET OF DATA REQUESTS**

**TO**

**BIG RIVERS ELECTRIC CORPORATION**

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**COUNSEL FOR KENTUCKY INDUSTRIAL  
UTILITY CUSTOMERS, INC.**

July 30, 2014

## 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      “**The Company**” means Big Rivers Electric Corporation.
- 14      “**Nebraska entities**” means the entities that Big Rivers has entered into contracts with in Nebraska. These entities include, but may not be limited to, Northeast Nebraska Public Power District and the City of Wakefield, NE and the City of Wayne, NE.
- 15      “**Nebraska contracts**” means the purchase power agreements and any other agreements entered into by Big Rivers with the Nebraska entities that are on file with the Commission in this proceeding.

## INSTRUCTIONS

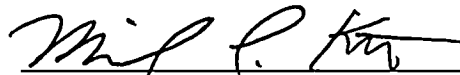
1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.
2. These interrogatories are continuing in nature, and information which the responding party later becomes aware of, 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.

**SECOND SET OF DATA REQUESTS OF  
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.  
TO BIG RIVERS ELECTRIC CORPORATION  
Case No. 2014-00134**

- Q.2-1. Section 3.11 of the NE contracts include references to a Big Rivers economic development rate.
- a. Please provide a copy of all analyses, studies, and correspondence addressing the development and/or application of the economic development rate for new NE retail industrial customers.
- Q.2-2. Please refer to the email from Lindsay Barron dated November 4, 2013 in response to the email from Mark Shults asking questions about the Company's economic development rate dated November 3, 2013. The email from Ms. Barron does not respond to any of Mr. Shults' questions. Please provide all correspondence and/or other materials provided by Ms. Barron in response to those questions.
- Q.2-3. Refer to the Company's response to AG 1-13 and its statement that "Utilizing a holistic approach, Big Rivers will review its financial position and metrics, and seek the ability to put funds in the Economic Reserve as conditions allow."
- a. Please further explain the Company's response. Identify the financial position and metrics that Big Rivers will consider and describe how this will affect its decision to seek authorization and/or the amount of funds that it will seek to deposit in the Economic Reserve.
  - b. Please explain why the Company will not unequivocally agree that the margins from sales pursuant to the NE contracts will be deposited into the Economic Reserve for the benefit of member/customers.
  - c. Does the Company oppose a condition whereby all margins from sales pursuant to the NE contracts shall be deposited into the Economic Reserve for the benefit of member/customers? If so, why does it oppose such a condition?
- Q.2-4. Refer to the ACES October 30, 2013 Valuation and Risk Assessment Study provided in the Company's response to Staff 1-3 and the Company's financial model cases corresponding to the ACES base case and four alternatives (sensitivities) provided in response to AG 1-12.
- a. Please indicate if the ACES study was provided to the Company's Board of Directors. If not, please explain why it was not and who made the decision not to provide a copy of this study.
  - b. Since it was produced eight months ago, has ACES updated its October 30, 2013 Valuation and Risk Assessment Study? If yes, please provide any such update. If no, please explain why no update was performed.
  - c. Please produce all workpapers, exhibits, analyses or other documents that were relied on by ACES to support its October 30, 2013 Study. If the response to this question contains electronic data, then please provide it with formulas intact.

- d. Has Big Rivers continued to monitor and study the LMP differential between its generation nodes and the NPPD CPNode? If yes, please provide copies of such studies. If no, please explain why not.
- Q.2-5. How is the LMP basis differential between Big Rivers' generation nodes and the NPPD CP Node calculated? For example, are all hours during the year 2016 included in the calculation?
- Q.2-6. Refer to the Company's response to KIUC 1-9, which sought a copy of all reports and presentations regarding the NE contracts to the Company's Board of Directors. The Company provided a copy of a presentation and an indicative term sheet.
- a. Please confirm that no other materials regarding the NE contracts were provided to the Company's Board of Directors or to the Boards of the member cooperatives. If other materials were provided, then please provide a copy of all of those materials.
- b. Please provide a copy of all Board minutes and/or resolutions regarding the NE contracts.
- Q.2-7. Please refer to Attachment 1 to KIUC 1-2(e). Please provide the version of this on-peak, off-peak and ATC market price energy forecast that existed as of the time Big Rivers entered into the NE contracts.

Respectfully submitted,



Michael L. Kurtz, Esq.

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**COUNSEL FOR KENTUCKY INDUSTRIAL  
UTILITY CUSTOMERS, INC.**

July 30, 2014

**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 30<sup>th</sup> day of July, 2014 to the following:



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