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PUBLIC SERVICE  
COMMISSION

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**In the Matter of:**

**BIG RIVERS ELECTRIC CORPORATION  
2014 INTEGRATED RESOURCE PLAN**

)  
) **Case No.**  
) **2014-00166**

**Response to the Office of the Attorney General's  
Supplemental Request for Information  
dated September 26, 2014**

**FILED: October 15, 2014**

**ORIGINAL**

**BIG RIVERS ELECTRIC CORPORATION**  
**2014 INTEGRATED RESOURCE PLAN**  
**OF BIG RIVERS ELECTRIC CORPORATION**  
**CASE NO. 2014-00166**

**Response to the Office of the Attorney General's**  
**Supplemental Request for Information**  
**Dated September 26, 2014**

**October 15, 2014**

1 **Item 1) Reference Big Rivers' Response to AG 1-13, and please provide the**  
2 **following:**

3 **a. Copies of all RFPs to which Big Rivers has responded since**  
4 **January 2014;**

5 **b. Copies of all Big Rivers' responses to the RFPs listed above;**

6 **c. All other RFPs Big Rivers has responded to before January 2014**  
7 **that were not previously provided to the parties in CN 2013-00199;**

8 **d. All other Big Rivers' responses to RFPs before 2014 that were not**  
9 **previously provided to the parties in CN 2013-00199.**

10

11 **Response)** Big Rivers objects to this question on the grounds that it is overly broad,  
12 unduly burdensome, and not reasonably calculated to lead to the discovery of admissible  
13 evidence. Notwithstanding that objection, and without waiving it, Big Rivers states that it  
14 expects that its Mitigation Plan will be fully evaluated in the Focused Management Audit  
15 ordered by the Commission in Case No. 2013-00199.

16

17 **Witness)** Lindsay N. Barron

**BIG RIVERS ELECTRIC CORPORATION**  
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**CASE NO. 2014-00166**

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1    **Item 2)**        **Reference the production cost model runs provided in response to AG 1-**  
2    **7. Please provide the associated financial forecast models in electronic format with**  
3    **data and formulae in all cells and rows intact and fully accessible. If there are any**  
4    **other workpapers, memos, reports, spreadsheets, email, etc. utilizing the information**  
5    **developed by the production cost model runs, please provide that information**  
6    **electronically, with all formulae intact.**

7  
8    **Response)**     The current Big Rivers financial forecast runs through 2028 and is named  
9    *Financial Forecast (2014-2028) 9-15-2014.xlsx*. This file utilizes information from the  
10    production cost model provided in response to AG 1-7 named *AG 1-7 PCM CI Idled,*  
11    *400MW RL.xlsm* and is provided, subject to a petition for confidential treatment, on the  
12    CONFIDENTIAL electronic media accompanying these responses.

13

14    **Witness)**        Christopher A. Warren

**BIG RIVERS ELECTRIC CORPORATION**  
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1    **Item 3)        Has Big Rivers evaluated the sales price it would need to receive for the**  
2    **Coleman units in each year of the study period to provide lower costs and greater**  
3    **benefits than the base case scenario? If not, why not?**

4

5    **Response)**    Big Rivers objects that this request is overly broad, unduly burdensome, not  
6    reasonably designed to lead to the discovery of admissible evidence, and unduly vague and  
7    ambiguous insofar as it is unclear whether the request pertains to the sale of physical assets  
8    or the sale of energy generated by the units. Notwithstanding that objection, and without  
9    waiving it, Big Rivers states as follows. The IRP analysis was designed to meet the  
10   requirements of 807 KAR 5:058 to show Big Rivers' projected load growth and the resources  
11   planned to meet that growth. Thus, a study of potential Coleman sales prices was not  
12   completed in this IRP planning process. As has been discussed repeatedly in Cases No.  
13   2012-00535 and 2013-00199, a sale of assets at a price less than book value has tremendous  
14   negative financial ramifications for Big Rivers and its Members. Big Rivers continues to  
15   believe the assets remain valuable and should be maintained to allow future benefits to inure  
16   to Big Rivers' and its Members. Nevertheless, Big Rivers will continue to evaluate this  
17   option as part of its Load Mitigation Plan.

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1           To the extent this request seeks information about the sale of energy generated by the  
2 units, Big Rivers notes that it will continue to analyze the most beneficial use of the Coleman  
3 units for its Members as market prices and environmental regulations become more clear.

4

5 **Witness)**     Lindsay N. Barron

**BIG RIVERS ELECTRIC CORPORATION**  
**2014 INTEGRATED RESOURCE PLAN**  
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**CASE NO. 2014-00166**

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1    **Item 4)**            **Please provide the sales price for all of the Coleman units that Big Rivers**  
2    **believes would be acceptable for each year from 2015 through 2028.**

3

4    **Response)**        Please see the response to AG 2-3. The price at which Big Rivers has offered  
5    Coleman Station for sale is presently unchanged from that shared in Case No. 2013-00199;  
6    however, Big Rivers will evaluate any offers that it receives. Please also see the attached  
7    CONFIDENTIAL responses to AG 2-35 and AG 2-36 in Case No. 2013-00199. Those  
8    attachments are being filed subject to a petition for confidential treatment.

9            As with the response to AG 2-3, and to the extent this request seeks information about  
10    the sale of energy generated by the units, Big Rivers notes that because of uncertainty  
11    regarding future environmental regulations, it is impossible at this time to determine with  
12    certainty the acceptable market price needed to justify operation of the Coleman units. Big  
13    Rivers will continue to analyze the most beneficial use of the Coleman units for its Members  
14    as market prices and environmental regulations become more clear.

15

16    **Witness)**        Lindsay N. Barron

BIG RIVERS ELECTRIC CORPORATION

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

Response to the Office of the Attorney General's  
Second Request for Information  
dated September 16, 2013

September 30, 2013

1     Item 35) *Regarding BREC's Confidential response to PSC 2-15 address the*  
2     *following:*

3     *BEGIN CONFIDENTIAL\*\*\**

4     [REDACTED]

5     [REDACTED]

6     [REDACTED]

7     [REDACTED]

8     [REDACTED]

9     [REDACTED]

10    [REDACTED]

11    [REDACTED]

12    [REDACTED]

13    [REDACTED]

14    [REDACTED]

15    [REDACTED]

16    *b.* [REDACTED]

17    [REDACTED]

18    [REDACTED]



**BIG RIVERS ELECTRIC CORPORATION**

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

**Response to the Office of the Attorney General's  
Second Request for Information  
dated September 16, 2013**

**September 30, 2013**

1



2

**\*\*\*END CONFIDENTIAL**

3

4

**Response)** Big Rivers objects that this request is not reasonably calculated to lead to the

5

discovery of admissible evidence. Notwithstanding this objection, and without waiving it,

6

Big Rivers responds as follows.

7

a. The timing and price for any sale of the plant(s) will affect the total revenue

8

requirement impact, the balance sheet impact, and the operating income

9

statement impact. Because the plants have not been sold, the timing and sale

10

price(s) are not known. Consequently, the requested information is not

11

available.

12

b. See Big Rivers' response to subpart (a), above.

13

14

**Witness)** Billie J. Richert

**Case No. 2013-00199  
Response to AG 2-35  
Witness: Billie J. Richert  
Page 2 of 2**

**Case No. 2014-00166  
Attachment for Response to AG 2-4  
Witness: Lindsay N. Barron  
Page 2 of 5**



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

**Response to the Office of the Attorney General's**  
**Second Request for Information**  
**dated September 16, 2013**

**September 30, 2013**

1 **Item 36)** *Provide all supporting documentation Regarding BREC's Confidential*  
2 *response to PSC 2-15, and address the following: BEGIN CONFIDENTIAL \*\*\**

3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED]

**Case No. 2013-00199**  
**Response to AG 2-36**  
**Witness: Billie J. Richert**  
**Page 1 of 3**

**Case No. 2014-00166**  
**Attachment for Response to AG 2-4**  
**Witness: Lindsay N. Barron**  
**Page 3 of 5**

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

**Response to the Office of the Attorney General's**  
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**dated September 16, 2013**

**September 30, 2013**

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[Redacted text block]

**Case No. 2013-00199**  
**Response to AG 2-36**  
**Witness: Billie J. Richert**  
**Page 2 of 3**

**Case No. 2014-00166**  
**Attachment for Response to AG 2-4**  
**Witness: Lindsay N. Barron**  
**Page 4 of 5**

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

**Response to the Office of the Attorney General's**  
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**September 30, 2013**

1           **\*\*\*END CONFIDENTIAL**

2

3   **Response)**   Big Rivers objects that this request is overly broad, unduly burdensome, and  
4   not reasonably calculated to lead to the discovery of admissible evidence. Notwithstanding  
5   these objections, and without waiving them, Big Rivers responds as follows.

6           a.-d.   Please see Big Rivers' response to AG 2-35.

7

8   **Witness)**    Billie J. Richert

**Case No. 2013-00199**  
**Response to AG 2-36**  
**Witness: Billie J. Richert**  
**Page 3 of 3**

**Case No. 2014-00166**  
**Attachment for Response to AG 2-4**  
**Witness: Lindsay N. Barronley**  
**Page 5 of 5**

**BIG RIVERS ELECTRIC CORPORATION**  
**2014 INTEGRATED RESOURCE PLAN**  
**OF BIG RIVERS ELECTRIC CORPORATION**  
**CASE NO. 2014-00166**

**Response to the Office of the Attorney General's**  
**Supplemental Request for Information**  
**Dated September 26, 2014**

**October 15, 2014**

1 **Item 5)**       **Reference the response to AG 1-12. Has Big Rivers evaluated whether or**  
2 **not the price offers for Coleman and/ or Wilson would generate net benefits or lower**  
3 **costs than the base case scenario?**

4

5 **Response)**    Please see the responses to AG 2-3 and AG 2-4. As stated in response to  
6 those requests, a study of potential Coleman sales prices was not completed in connection  
7 with this IRP. However, selling Coleman or Wilson Station at the prices referenced in AG 1-  
8 12 would generate significant benefit for Big Rivers' Members.

9

10 **Witness)**     Lindsay N. Barron

**BIG RIVERS ELECTRIC CORPORATION**  
**2014 INTEGRATED RESOURCE PLAN**  
**OF BIG RIVERS ELECTRIC CORPORATION**  
**CASE NO. 2014-00166**

**Response to the Office of the Attorney General's**  
**Supplemental Request for Information**  
**Dated September 26, 2014**

**October 15, 2014**

1 **Item 6)** Referencing Big Rivers' response to AG 1-12 which refers to all offers  
2 discussed in CN 2013-00199, and KIUC 1-8 in CN 2013-00199, does Big Rivers maintain  
3 that selling either Coleman, Wilson or both for less than net book value would result in  
4 IRP present value costs more than the base case as detailed in the response to SC 1- 15c,  
5 if all other cost assumptions are the same as in the base case?

6 a. Please provide all analysis used to derive the sales cost of Coleman and  
7 Wilson and how the revenues from these sales would affect the base case present value  
8 costs.

9 b. Please explain how the Mitigation Plan is incorporated into the IRP  
10 scenarios evaluated and all elements of the Mitigation Plan incorporated in the IRP  
11 analysis.

12

13 **Response)** Please see Big Rivers' responses to AG 2-3, AG 2-4, and AG 2-5.

14 a. Please see Big Rivers' responses to AG 2-3, AG 2-4, and AG 2-5.

15 b. The Mitigation Plan was incorporated into the IRP through the inclusion of  
16 replacement load in the load forecasting process. Replacement load was included in the  
17 Strategist runs completed, as well as the reserve margin study. Sensitivities regarding  
18 replacement load composition and timing were included in the load forecasting process.

**BIG RIVERS ELECTRIC CORPORATION**  
**2014 INTEGRATED RESOURCE PLAN**  
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**CASE NO. 2014-00166**

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**Supplemental Request for Information**  
**Dated September 26, 2014**

**October 15, 2014**

1

2 **Witness)** Lindsay N. Barron

**BIG RIVERS ELECTRIC CORPORATION**  
**2014 INTEGRATED RESOURCE PLAN**  
**OF BIG RIVERS ELECTRIC CORPORATION**  
**CASE NO. 2014-00166**

**Response to the Office of the Attorney General's**  
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**Dated September 26, 2014**

**October 15, 2014**

**Item 7) Please provide the forecasted increase in demand and energy over the IRP period related to the Aleris Corporations' announced \$350 million expansion of its Lewisport rolling mill in Hancock County.**

**Response)** Based on preliminary estimates received from Aleris, the increase in demand due to the announced expansion at Aleris Corporation will be:

|                  | 2014       | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|------------------|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Annual MW Demand | [REDACTED] |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| Annual MWH       | [REDACTED] |      |      |      |      |      |      |      |      |      |      |      |      |      |      |

However, Aleris has since indicated that the increase could range from approximately [REDACTED]

[REDACTED]

**Witness)** Marlene S. Parsley



**BIG RIVERS ELECTRIC CORPORATION**  
**2014 INTEGRATED RESOURCE PLAN**  
**OF BIG RIVERS ELECTRIC CORPORATION**  
**CASE NO. 2014-00166**

**Response to the Office of the Attorney General's**  
**Supplemental Request for Information**  
**Dated September 26, 2014**

**October 15, 2014**

1    **Item 8)**            **With regard to Big Rivers' responses to initial data requests tendered by**  
2    **the Public Service Commission Staff, the Attorney General, and KIUC, does the**  
3    **company agree that as to those responses in which the company refers to information**  
4    **provided in prior cases, that such information is incorporated by reference into the**  
5    **instant matter pursuant to 807 KAR 5:001 § 4(12)(d)(3)? If not, why not? Please explain**  
6    **in full.**

7

8    **Response)**    Big Rivers responded in this case to requests for information that had  
9    previously been filed in other cases involving the same parties by referring to the specific  
10    location of the information in the record of the other cases. Big Rivers will not object if a  
11    party to this proceeding files a motion pursuant to 807 KAR 5:001 Section 11(5) seeking to  
12    incorporate any of that information into the record in this case, so long as that party  
13    maintains the confidentiality of any information for which the Public Service Commission  
14    has granted confidential treatment or for which a petition for confidential treatment is  
15    pending.

16

17    **Witness)**        Marlene S. Parsley

**BIG RIVERS ELECTRIC CORPORATION**  
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**CASE NO. 2014-00166**

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**Dated September 26, 2014**

**October 15, 2014**

1   **Item 9)**       **With regard to your response to the question immediately above, if Big**  
2   **Rivers continues to request confidential protection for any material, please provide**  
3   **(under petition for confidential protection subject to 807 KAR 5:001 § 13) copies of all**  
4   **documents from prior cases for which Big Rivers continues to seek confidential**  
5   **treatment.**

6  
7   **Response)**    Please see the CONFIDENTIAL pages from the paper versions of following  
8   material filed in Cases No. 2012-00535 or 2013-00199 as follows:

9       Case No. 2012-00535 –       PSC 2-18

10       Case No. 2013-00199 –     PSC 2-14, PSC 2-16, AG 2-9, Post-Hearing Data  
11   Request 15 Update

12   Please also see the CONFIDENTIAL electronic documents filed in Case No. 2013-00199 on  
13   the CONFIDENTIAL electronic media accompanying these responses:

14       Case No. 2013-00199 –     PSC 2-14, KIUC 2-15

15   Each of these attachments is filed subject to a petition for confidential treatment.

16

17   **Witness)**     Marlene S. Parsley

**In the Matter of:**

**2014 INTEGRATED RESOURCE PLAN                    )**  
**OF BIG RIVERS ELECTRIC CORPORATION            )** **Case No. 2014-00166**

**CONFIDENTIAL ATTACHMENTS IN RESPONSE**  
**to Item 9 of the Office of the Attorney General's**  
**Supplemental Request for Information**  
**dated September 26, 2014**  
**FILED: October 15, 2014**

**INFORMATION SUBMITTED UNDER PETITION FOR CONFIDENTIAL**  
**TREATMENT**