

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC)	
CORPORATION FOR AUTHORITY TO ESTABLISH)	CASE NO.
REGULATORY ASSETS FOR EXPENSES RELATED)	2015-00333
TO THE COAL COMBUSTION RESIDUALS RULE)	

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION
TO BIG RIVERS ELECTRIC CORPORATION.

Big Rivers Electric Corporation ("Big Rivers"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due within ten days of the date of this request. 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 the 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 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.

Big Rivers 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

Big Rivers fails or refuses to furnish all or part of the requested information, Big Rivers shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should 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 filing a paper containing personal information, Big Rivers 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 Application, paragraph 5.
 - a. Explain when Big Rivers expects that it will have to close the ash ponds for the Green Station ("Green") and City of Henderson's Station Two ("Station Two").
 - b. Explain why there are no coal-combustion residual ("CCR")-related future liabilities for ash ponds at the Coleman Station.
 - c. Provide the number and size of the ash ponds located at the Coleman Station.
 - d. Explain whether Big Rivers expects that it will have to close the ash ponds located at the Coleman Station, and whether Big Rivers has developed a plan to address their closure.
2. Refer to the Application, paragraph 9.
 - a. Provide the journal entries Big Rivers made to record its Asset Retirement Obligation ("ARO") liabilities for Green and Station Two.

b. Provide the basis for Big Rivers' determination that the estimated costs to close the Green and Station Two ash ponds would be \$8.233 million and \$5.134 million, respectively.

c. Provide a breakdown of the projected costs to close the ash ponds at Green and Station Two.

d. For purposes of estimating Big Rivers' share of the Station Two ash pond closure costs, what was the split assumed by Big Rivers to be its share of those costs?

e. Provide the calculation of the projected 2015 ARO-related depreciation expense of \$0.169 million by station.

f. Provide the calculation of the projected 2015 ARO-related accretion expense of \$0.154 million by station.

g. What are the remaining lives of Green and Station Two?

3. Refer to the Application, paragraph 10.

a. Explain how Big Rivers calculated the ARO-related depreciation expense of \$5.310 million. Include any relevant work papers, spreadsheets, etc., showing the calculation of the \$5.310 million.

b. Explain how Big Rivers calculated the ARO-related accretion expense of \$8.057 million. Include any relevant work papers, spreadsheets, etc., showing the calculation of the \$8.057 million.

c. Also refer to the Application, paragraph 9, where it states that the "ash pond closure costs are \$8.233 million for Green and \$5.134 million for Big Rivers' share of Station Two." Explain the difference in these amounts and the \$5.310 million

ARO-related depreciation expense and \$8.057 ARO-related accretion expense referenced in paragraph 10 of the Application. Include any relevant work papers, spreadsheets, etc., showing the calculations.

4. Refer to the Application, paragraph 12.

a. Explain in detail the engineering studies, estimated to cost between \$700,000 and \$1 million, that Big Rivers must conduct on the Wilson, Green, Station Two and Coleman ash ponds and landfills.

b. Describe how CCR material is currently stored at the Wilson Station.

c. Describe the project to “containerize CCR piles at Wilson Station.”

d. It is stated that estimated cost to be incurred in 2015 for the analysis of the Green and Station Two ash ponds is \$100,000 for each ash pond.

(1) How many ponds are at each site?

(2) Has the installation of the piezometers and ground water wells begun, or if not, when will installation occur?

(3) Is this a one-time expense, or will there be on-going expenses each year?

(4) Is Big Rivers requesting deferral for these expenses?

5. Refer to the application, paragraph 17. Confirm that the absolute latest date that the Commission could issue an Order that would allow Big Rivers to record the proposed regulatory asset entries is January 5, 2016.

6. Have there been any citations, violations, notices, litigation, etc., from/with any environmental agency regarding the ash ponds at Green and Station Two over the

past ten years? If so, identify and explain each incident and provide any relevant information regarding each incident.



Jeff Derouen
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Public Service Commission
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DATED **OCT 26 2015**

cc: Parties of Record

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