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November 30, 2015

Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard, P.O. Box 615
Frankfort, Kentucky 40602-0615

*Also Licensed in Indiana

**Also Licensed in Indiana
and New York

Re: *Application of Big Rivers Electric Corporation for Authority
to Establish Regulatory Assets for Expenses Related to the
Coal Combustion Residuals Rule;*
Case No. 2015-00333

Dear Mr. Derouen:

Enclosed for filing are an original and ten (10) copies of: (i) Big Rivers Electric Corporation's responses to the Public Service Commission Staff's second request for information in the above-referenced matter, and (ii) a petition for confidential treatment. I certify that on this date, a copy of this letter, a copy of the responses, and a copy of the petition were served on all parties of record.

Sincerely,



Tyson Kamuf
Counsel for Big Rivers Electric Corporation

TAK/lm
Enclosures

Telephone (270) 926-4000
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100 St. Ann Building
PO Box 727
Owensboro, Kentucky
42302-0727

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ORIGINAL



Your Touchstone Energy® Cooperative 

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

**APPLICATION OF BIG RIVERS ELECTRIC)
CORPORATION FOR AUTHORITY TO)
ESTABLISH REGULATORY ASSETS FOR)
EXPENSES RELATED TO THE COAL)
COMBUSTION RESIDUALS RULE)**

**Case No.
2015-00333**

**Responses to Commission Staff's Second Request for Information
dated
November 20, 2015**

FILED: November 30, 2015

ORIGINAL

BIG RIVERS ELECTRIC CORPORATION

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

VERIFICATION

I, Eric M. Robeson, verify, state, and affirm that I prepared or supervised the preparation of my responses to data requests filed with this Verification, and that those responses are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Eric M. Robeson

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Eric M. Robeson on this
the 30th day of November, 2015.



Notary Public, Ky. State at Large

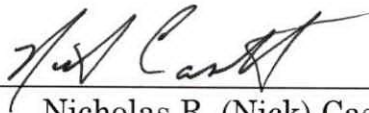
My Commission Expires 1-12-17

BIG RIVERS ELECTRIC CORPORATION

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

VERIFICATION

I, Nicholas R. (Nick) Castlen, verify, state, and affirm that I prepared or supervised the preparation of my responses to data requests filed with this Verification, and that those responses are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Nicholas R. (Nick) Castlen

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Nicholas R. (Nick) Castlen
on this the 30th day of November, 2015.



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

BIG RIVERS ELECTRIC CORPORATION

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

**Response to Commission Staff's Second Request for Information
dated
November 20, 2015**

November 30, 2015

1 **Item 1)** *Refer to the response to Commission Staff's Initial Request for*
2 *Information ("Staff's Initial Request"), Item 1.a., where it states, in*
3 *regards to the Effluent Limit Guidelines for Steam Electric Power rule,*
4 *that "[t]he final version of these regulations differed from the proposed*
5 *regulations in that the proposed regulations exempted power plants less*
6 *than 400 MW from certain requirements but the final regulations do not*
7 *contain that exemption." Identify the "certain requirements" referenced in*
8 *this statement that were affected by this change.*

9
10 **Response)** The proposed Effluent Limit Guideline regulations exempted plants
11 under 400MWs from bottom ash requirements. The final, published regulations
12 do not exempt plants under 400 MWs from bottom ash requirements.

13

14

15 **Witness)** Eric M. Robeson

16

BIG RIVERS ELECTRIC CORPORATION
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CASE NO. 2015-00333

Response to Commission Staff's Second Request for Information
dated
November 20, 2015

November 30, 2015

1 **Item 2) Refer to the responses to Staff's Initial Request, Item 2.c., page**
2 **6 of 13, and Item 2, Attachment 6 of 8. Item 2.c. lists a total cost of**
3 **\$4,181,000, and Attachment 6 of 8 to Item 2 lists a total cost of \$4,268,000.**
4 **Explain the differences in the costs contained in the responses.**

5
6 **Response)** The total projected cost to close the Station Two ash pond of
7 \$4,181,000, provided in Big Rivers' response to Staff's Initial Request, Item 2.c.,
8 page 6 of 13, does not include the estimated cost of installing the post-closure
9 groundwater monitoring wells which is approximately \$87,000 for each ash pond
10 (assuming six wells per ash pond). Support for the \$4,181,000 estimated cost to
11 close the Station Two ash pond (excluding the post-closure groundwater
12 monitoring wells) can be found in Table 6-3 of Big Rivers' 2015 Environmental
13 Compliance Study prepared by Burns & McDonnell (the "2015 Environmental
14 Compliance Study"), which is provided as an attachment to the response for Item
15 6. Support for the approximate cost of \$87,000 for installing the post-closure
16 groundwater monitoring wells at each ash pond can be found in Table 6-6 of the
17 2015 Environmental Compliance Study.

18 The total cost of \$4,268,000, provided in Attachment 6 of 8 to Big
19 Rivers' response to Item 2 of Staff's Initial Request, does include the estimated
20 cost of approximately \$87,000 for installing the post-closure groundwater
21 monitoring wells. Support for the \$4,268,000 estimated cost of closing the Station
22 Two ash pond (including the post-closure groundwater monitoring wells) can be
23 found in Table 1-2 of Big Rivers' 2015 Environmental Compliance Study.

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CASE NO. 2015-00333

Response to Commission Staff's Second Request for Information
dated

November 20, 2015

November 30, 2015

1

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3 **Witness)** Nicholas R. Castlen

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BIG RIVERS ELECTRIC CORPORATION

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

**Response to Commission Staff's Second Request for Information
dated**

November 20, 2015

November 30, 2015

1 **Item 3)** *Refer to the responses to Staff's Initial Request, Item 2.c., page*
2 *8 of 13, and Item 2, Attachment 4 of 8, page 1. Item 2.c. lists a total cost of*
3 *\$4,565,700, and Attachment 4 of 8 to Item 2 lists an estimated cost of*
4 *retirement obligation (Today's Dollars) of \$4,653,000. Explain the*
5 *differences in the costs contained in these responses.*

6
7 **Response)** The total projected cost to close the Green ash pond of \$4,565,700,
8 provided in Big Rivers' response to Staff's Initial Request, Item 2.c., page 8 of 13,
9 does not include the estimated cost of installing the post-closure groundwater
10 monitoring wells which is approximately \$87,000 for each ash pond (assuming six
11 wells per ash pond). Support for the \$4,565,700 estimated cost to close the Green
12 ash pond (excluding the post-closure groundwater monitoring wells) can be found
13 in Table 6-8 of Big Rivers' 2015 Environmental Compliance Study. Support for
14 the approximate cost of \$87,000 for installing the post-closure groundwater
15 monitoring wells at each ash pond can be found in Table 6-6 of the 2015
16 Environmental Compliance Study.

17 The total cost of \$4,653,000, provided in Attachment 4 of 8 to Big
18 Rivers' response to Item 2 of Staff's Initial Request, does include the estimated
19 cost of approximately \$87,000 for installing the post-closure groundwater
20 monitoring wells. Support for the \$4,653,000 estimated cost of closing the Green
21 ash pond (including the post-closure groundwater monitoring wells) can be found
22 in Table 1-2 of Big Rivers' 2015 Environmental Compliance Study.

23

BIG RIVERS ELECTRIC CORPORATION
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CASE NO. 2015-00333

Response to Commission Staff's Second Request for Information
dated

November 20, 2015

November 30, 2015

1

2 **Witness)** Nicholas R. Castlen

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BIG RIVERS ELECTRIC CORPORATION
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dated
November 20, 2015

November 30, 2015

1 **Item 4)** *Refer to the response to Staff's Initial Request, Item 1.d.*
2 *Describe the steps Big Rivers has taken to determine whether the soils at*
3 *the Coleman generating station are suitable to cover Coleman's ash ponds*
4 *if that becomes necessary. Provide the findings from these initial steps.*

5
6 **Response)** Big Rivers engaged Associated Engineers, Inc. of Madisonville,
7 Kentucky to conduct a subsurface investigation at the three plant sites.
8 Associated Engineers' study indicates that minor enhancements of the soils within
9 a 5-mile radius of the Coleman generating station would be required to cover and
10 close the Coleman ash ponds. Big Rivers is still evaluating this report.

11

12

13 **Witness)** Eric M. Robeson

14

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dated
November 20, 2015

November 30, 2015

1 **Item 5)** *Refer to the response to Staff's Initial Request, Item 2.b.*
2 *Explain the manner and time frame in which Big Rivers intends to*
3 *recover the actual costs associated with complying with the Disposal of*
4 *Coal Combustion Residuals from Electric Utilities Rule.*

5
6 **Response)** At this time, Big Rivers is only seeking Commission approval to
7 establish regulatory assets to defer the costs of complying with the Disposal of
8 Coal Combustion Residuals from Electric Utilities Rule, including the ARO-
9 related accretion and depreciation expense for the eventual closures of its Green
10 and Station Two ash ponds.

11 Big Rivers plans to address the actual manner and time frame for
12 recovery of these costs in a future proceeding before the Commission.

13

14

15 **Witness)** Nicholas R. Castlen

16

BIG RIVERS ELECTRIC CORPORATION

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CASE NO. 2015-00333**

**Response to Commission Staff's Second Request for Information
dated**

November 20, 2015

November 30, 2015

1 **Item 6)** *Refer to the response to Staff's Initial Request, Item 2.b.,*
2 *regarding Burns & McDonnell Engineering Co., Inc.'s study of Big Rivers'*
3 *obligations for closure of its ash ponds. Provide a copy of this study.*

4

5 **Response)** Big Rivers is filing its 2015 Environmental Compliance Study,
6 prepared by Burns & McDonnell, with a Petition for Confidential Treatment.

7

8

9 **Witness)** Eric M. Robeson

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC
CORPORATION FOR AUTHORITY TO ESTABLISH
REGULATORY ASSETS FOR EXPENSES RELATED
TO THE COAL COMBUSTION RESIDUALS RULE

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Case No.
2015-00333

CONFIDENTIAL RESPONSE to
Item 6 of the Commission Staff's
Second Request for Information
dated November 20, 2015
FILED: November 30, 2015

INFORMATION SUBMITTED UNDER PETITION FOR CONFIDENTIAL
TREATMENT