

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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AUG 29 2016

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION FOR)
A DECLARATORY ORDER)

CASE NO. 2016-00278

CITY OF HENDERSON, KENTUCKY, AND HENDERSON UTILITY COMMISSION,
d/b/a HENDERSON MUNICIPAL POWER & LIGHT'S FIRST REQUEST
FOR INFORMATION TO BIG RIVERS ELECTRIC CORPORATION

The City of Henderson, Kentucky, and the Henderson Utility Commission, d/b/a Henderson Municipal Power & Light (jointly referenced hereinafter as "Henderson"), which filed its Motion for Intervention on August 19, 2016, by counsel and pursuant to the Kentucky Public Service Commission's Order of August 15, 2016, hereby submits its First Request for Information and requests that Applicant Big Rivers Electric Corporation (hereinafter "Big Rivers") respond to the following requests:

GENERAL INSTRUCTIONS

1. In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
2. Please identify the company witness who will be prepared to answer questions concerning each request.
3. These requests shall be deemed continuing in nature so as to require further and supplemental responses in the event Applicant receives or generates additional information within

the scope of these requests between the time of the response and the time of any hearing conducted herein.

4. If any request appears to be confusing, please request clarification directly from the undersigned.

5. To the extent that the specific document, work paper, or information as requested does not exist, but a similar document, work paper, or information does exist, provide the similar document, work paper, or information.

6. To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout that would not be self-evident to a person not familiar with the printout.

7. If Applicant has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the undersigned as quickly as possible.

8. For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom the document was distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

9. In the event any document called for has been destroyed or transferred beyond the control of Applicant, state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

10. To the extent that a request calls for information not available for all categories or all period of time for which the information is sought, please explain why the information is not available and answer the request for the time or categories for which it is available.

REQUESTS FOR INFORMATION

1. Is it Big Rivers' contention that either the approval or denial of its Application for a Declaratory Order will result in a rate increase or rate decrease, or otherwise impact the rates Big Rivers charges its customers for electrical service? If so, please provide all documentation, calculations, reconciliations, and related work papers that support this contention.

2. Is it Big Rivers' contention that either the approval or denial of its Application for a Declaratory Order will have an impact on the quantity and/or quality of service to Big Rivers' customers? If so, please provide an explanation of the effect on the quantity of service available to Big Rivers' tariffed customers, and the effect on the quality of service available to tariffed customers, including all documentation, calculations, reconciliations, and related work papers that support these contentions.

3. Has Big Rivers notified either the Commission or any of its customers that it intends to increase, decrease, or otherwise modify existing electrical rates in the event that its Application for a Declaratory Order is denied? If so, please provide documentation of such notice. Additionally, provide any studies, calculations, or other information supporting the purported effect on rates resulting from a Commission decision in this case.

4. Please refer to the Direct Testimony of Robert W. Berry, submitted as Exhibit 10 with Big Rivers' Application for a Declaratory Order, pages 4, 8, and 13. Confirm that the relief

sought by Big Rivers' Application for a Declaratory Order requires the Commission to interpret selected provisions of the contracts between Big Rivers and Henderson.

5. Will Big Rivers acknowledge that KRS 278.030 entitles a utility to receive "fair, just, and reasonable" rates for services rendered, but is silent as to whether the terms of a privately negotiated contract not involving rates or service must be similarly "fair, just, and reasonable?" If not, please provide a detailed explanation of Big Rivers' position to the contrary.

6. Will Big Rivers acknowledge that KRS 278.040(2) precludes the Commission from infringing upon the contract rights of a municipality where neither rates nor services are implicated? If not, please provide a detailed explanation of Big Rivers' position to the contrary.

7. Please cite the specific contractual provision or other source or authority that provides the basis for Big Rivers' contention that Big Rivers is required to operate Henderson's Station Two Units at their net rated capacity of 312 megawatts.

8. Please cite the specific contractual provision or other source or authority that provides the basis for Big Rivers' contention that Big Rivers is required to generate those megawatt hours of electricity which exceed Henderson's native load in a given hour, but are equal to or less than the number of megawatt hours within Henderson's reserved capacity for that hour.

9. Please refer to the Direct Testimony of Robert W. Berry, pages 10 and 11. Will Big Rivers acknowledge that, according to Mr. Berry, the minimum amount of energy that the two (2) Station Two Units must generate to remain in safe and continuous operation – 115 megawatt hours per hour for Unit 1, and 120 megawatt hours per hour for Unit 2 – is sufficient to meet Henderson's reserved capacity, with the remaining capacity being allocated to Big Rivers?

10. Please refer to the Direct Testimony of Robert W. Berry, page 11. Please describe in detail the process whereby Big Rivers registered, without Henderson's approval and over

Henderson's objection, the Station Two Units and/or capacity with the Midcontinent Independent System Operator, Inc. (hereinafter "MISO"), including any statements or other representations made to MISO that Big Rivers possessed the right or the authorization to register the said Units.

11. Please explain in detail Big Rivers' position that it possessed the right or authorization to register with MISO that portion of energy and/or generating capacity that is within Henderson's annual Station Two reserved capacity. Provide any documentation or other work papers supporting your position.

12. Please provide any and all documentation, calculations, reconciliations, analyses, or other work papers indicating the amount of remuneration Big Rivers has received from MISO and/or other entities in exchange for the registration of the Station Two Units, and the amount of revenue Big Rivers has received from MISO and/or other entities either through the sale or offer of energy and/or capacity within Henderson's annual Station Two reserved capacity from the date of the registration through the date of the answering of these requests.

13. Please cite the specific contractual provision or other source, authority, or basis upon which Big River relies for its position that it possessed the authority to unilaterally reinterpret the terms of the existing contracts between Big Rivers and Henderson to permit the change in accounting practices communicated to Henderson on May 25, 2016, and implemented on June 1, 2016.

14. Please refer to the Direct Testimony of Robert W. Berry, page 14. Please provide all documentation, calculations, analyses, and related work papers upon which Mr. Berry relied in reaching his conclusion that "Henderson will soon run out of fuel and reagent for production of its energy from Station Two."

15. Please cite the specific contractual provision, or other source or authority, upon which Big Rivers relied in making its decision to take Henderson's coal and other assets and/or inventories without Henderson's express approval beginning in June 2016.

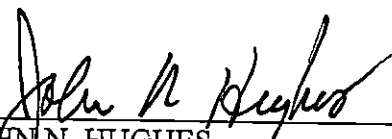
16. Please cite the specific contractual provision, or other source or authority, upon which Big Rivers relied in changing the Station Two accounting records with regard to Henderson's inventories and allocated costs beginning in June 2016.

17. Please state whether Big Rivers has ever taken any of Henderson's variable assets at Station Two without Henderson's express approval between 1973 and June 2016. If so, please provide documentation, calculations, reconciliations and related work papers identifying the nature and amount of assets taken, the disposition thereof, and the remuneration, if any, received therefor.

18. Will Big Rivers acknowledge that Big Rivers has refused since 2009 to allow Henderson to schedule or take all of its energy related to its annual Station Two reserved capacity? Please provide all documentation, calculations, analyses, and related work papers which support your response to this request.

19. Will Big Rivers acknowledge that its denial of Henderson's requests to schedule or take all of Henderson's energy related to Henderson's annual Station Two reserved capacity from 2009 through at least May 24, 2016, was based upon a contention that the scheduling mechanism proposed by Henderson was impractical to implement?


Respectfully submitted,



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CERTIFICATE OF SERVICE

I certify that a true and exact copy of the foregoing was forwarded this 29 day of August, 2016, via U.S. Mail, postage prepaid, and electronic mail to the following:

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