

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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SEP 26 2016

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION FOR) CASE NO. 2016-00278
A DECLARATORY ORDER)

CITY OF HENDERSON, KENTUCKY, AND HENDERSON UTILITY COMMISSION,
d/b/a HENDERSON MUNICIPAL POWER & LIGHT'S SUPPLEMENTAL
REQUESTS 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"), by counsel and pursuant to the Kentucky Public Service Commission's Order of August 15, 2016, hereby submits its Supplemental Requests 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 periods 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.

SUPPLEMENTAL REQUESTS FOR INFORMATION

1. Please identify the source or authority from which Big Rivers derives its definition of “Excess Henderson Energy,” as set forth in the “Definitions” section of its responses to the Commission Staff’s First Request for Information.

2. Will Big Rivers acknowledge that, pursuant to Section 3.8(a) of the Power Sales Contract, as amended, energy associated with Henderson’s reserved capacity is not “Excess Henderson Energy” until and unless Henderson elects to not schedule or take said energy?

3. Will Big Rivers acknowledge that the arbitration award issued pursuant to the Henderson Circuit Court’s reference of the parties’ contractual dispute to arbitration in Civil Action No. 09-CI-00693 did not change the terms of the Power Sales Contract, as amended, or redefine the rights of the parties? If the response is in the affirmative, please explain specifically and in detail the way in which you contend the arbitration award changed the terms of the Power Sales Contract, as amended, and/or redefined the rights of the parties.

4. Refer to your response to Request No. 1 of Henderson’s First Request for Information. Please define the term “uneconomic Excess Henderson Energy.”

5. Refer to your response to Request No. 1 of Henderson’s First Request for Information. Please explain with specificity and in detail the basis for your claim that Henderson is forcing or has forced Big Rivers to take “uneconomic Excess Henderson Energy.”

6. Does Big Rivers contend that Henderson is forcing or has forced Big Rivers to generate that energy which is associated with Henderson's reserved Station Two capacity, but which Henderson does not schedule or take? If the response is in the affirmative, please state specifically and in detail the basis for this contention.

7. Refer to Big Rivers' response to Request No. 1 of the Commission Staff's First Request for Information. Please define the term "Henderson's MISO capacity requirement."

8. Will Big Rivers acknowledge that there exists no contractual provision requiring Big Rivers to generate "Excess Henderson Energy" as defined in Section 3.8(a) of the Power Sales Contract, as amended?

9. Will Big Rivers acknowledge that Big Rivers is not contractually required to generate that energy which exceeds Henderson's native load in a given hour, but which Henderson neither schedules nor takes? If the response is in the negative, please state the basis for your claim that Big Rivers is required to generate that energy which exceeds Henderson's native load in a given hour, but is less than or equal to its reservation for that hour, and which Henderson neither schedules nor takes.

10. Will Big Rivers acknowledge that Big Rivers possesses physical control over the Station Two generating facilities such that Big Rivers controls whether energy is generated or not generated by either or both of the Station Two Units?

11. Will Big Rivers acknowledge that, since June 1, 2016, Big Rivers in any given hour has generated energy associated with Henderson's reserved Station Two capacity, but which was not scheduled or taken by Henderson, prior to generating any energy from Station Two capacity allocated to Big Rivers?

12. Refer to the Direct Testimony of Robert W. Berry, submitted as Exhibit 10 with Big Rivers' Application for a Declaratory Order, pages 13-14. Please confirm that, over Henderson's formal written objection of May 31, 2016, Big Rivers has taken and continues to take without authorization Henderson's coal and lime inventory, while billing Henderson for other variable costs associated with the production of Station Two energy not scheduled or taken by Henderson, but generated, taken, and sold by Big Rivers.

13. Will Big Rivers acknowledge that, since on or about June 1, 2016, Big Rivers has maintained records of coal, lime, and other Station Two expenses associated both with the actual number of megawatt hours taken by Henderson, and with the number of megawatt hours Big Rivers claims to have generated at Henderson's direction, and sold on Henderson's behalf?

14. Please explain in detail why Big Rivers is generating that energy which is associated with Henderson's reserved Station Two capacity, but which is not scheduled or taken by Henderson, prior to generating energy from that Station Two capacity allocated to Big Rivers.

15. Please describe the manner in which Big Rivers currently disposes of energy generated from that Station Two capacity allocated to Big Rivers, including an explanation of whether that energy is sold into the MISO market, to Big Rivers' member cooperatives, to other third parties, or some combination of all three. Please provide documentation indicating what portion of that energy associated with Big Rivers' allocated capacity is sold to which buyer, and the amount of revenue Big Rivers received from each buyer between 12:01 a.m. on July 17, 2009, and the date of the answering of these requests.

16. Will Big Rivers acknowledge that there exists no provision in the Power Sales Contract, as amended, to permit the idling of one or both Station Two Units solely for economic and/or profitability reasons?

17. Will Big Rivers acknowledge that, in the event the energy associated with Henderson's reserved capacity is unavailable from Station Two then, under the terms of the existing 1974 System Reserve Agreement, Big Rivers could fulfill its contractual obligation to Henderson by making the amount of energy associated with Henderson's reserved capacity available from another source?

18. Please describe in detail the process whereby Big Rivers distinguishes between that Excess Henderson Energy, which is sold into the MISO market, and the energy associated with Big Rivers' allocated Station Two capacity, which is sold to Big Rivers' member cooperatives or other third parties, or some combination of the two.

19. If you contend that all Excess Henderson Energy sold by Big Rivers between 12:01 a.m. on July 17, 2009, and the date of the answering of these requests, has been sold into the MISO market rather than to Big Rivers' member cooperatives, to other third parties, or some combination of both, please identify the person responsible for that decision, and explain the rationale underlying that decision.

20. Please state the price MISO paid to Big Rivers for each megawatt hour of Excess Henderson Energy sold into the MISO market between 12:01 a.m. on July 17, 2009, and the date of the answering of these requests. Please include the price paid for Excess Henderson Energy sold into the MISO market prior to the date on which Big Rivers joined MISO in December 2010.

21. Please state the price paid to Big Rivers for each megawatt hour of Excess Henderson Energy sold to Big Rivers' member cooperatives, other third parties, or some combination of both, between 12:01 a.m. on July 17, 2009, and the date of the answering of these requests.

22. Please confirm that Big Rivers' audited and publicly disclosed Annual Reports set forth the annual operating revenue for all annual sales of energy and capacity, including energy produced and capacity available at Henderson's Station Two, and that the data in the Annual Reports can be used to calculate Big Rivers' average annual revenue on a megawatt hour basis for each year beginning at 12:01 a.m. on July 17, 2009, and continuing through the date of the answering of these requests.

23. If the response to Request No. 20 is a denial, and Big Rivers asserts that its average annual revenue, on a megawatt hour basis, is calculated based upon anything other than the data in the Annual Reports, then please identify and provide copies of the data forming the basis of Big Rivers' assertion and calculation.

24. Please provide an itemized list of monthly expenses which constitute the individual variable costs Big Rivers paid per megawatt hour of Excess Henderson Energy as documented in Big Rivers' attachment (identified as RWB_1) to its response to Request No. 4 of the Commission Staff's Request for Information.

25. Refer to Big Rivers' response to Request No. 4(a)(1) of the Commission Staff's First Request for Information. Please produce an unredacted copy of the "Indemnification Agreement," as executed, and an unredacted copy of the "Exhibit A" referenced as an attachment to the "Indemnification Agreement."

26. Refer to Big Rivers' response to Request No. 4(a)(1) of the Commission Staff's First Request for Information. Please produce unredacted copies of any and all current and/or past attachments to the "Indemnification Agreement," including any and all amendments, corrections, and/or revisions made subsequent to the original execution of said Agreement, attachments, amendments, corrections, and/or revisions.

27. Refer to Big Rivers' response to Request No. 8 of the Commission Staff's First Request for Information. Please cite the contractual provision or other authority upon which Big Rivers relied for authorization to change, revise, or deviate from the method for calculating Excess Henderson Energy set forth in the "Indemnification Agreement" and/or its attachments, specifically the aforementioned "Exhibit A."

28. Refer to Big Rivers' response to Request No. 9 of the Commission Staff's First Request for Information. Please state the basis for your statement that Big Rivers "does not know how much energy Henderson is going to use in any given hour or how much Excess Henderson Energy will exist in any given hour until after the energy is produced and consumed."

29. Please explain with specificity and in detail why Big Rivers in 2009 sought interpretation of the Power Sales Contract, as amended, by petitioning the Henderson Circuit Court to refer the dispute to arbitration, rather than bringing the matter before the Commission.

30. Will Big Rivers acknowledge that the allocation of Station Two costs between the parties to the Power Sales Contract, as amended, and Big Rivers' payment of \$1.50 per megawatt hour to Henderson for Excess Henderson Energy not scheduled or taken by Henderson, do not constitute rates for usual service rendered to the public generally?

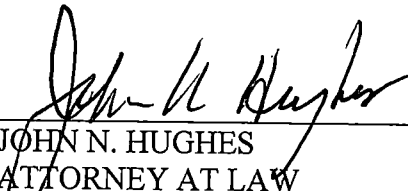
31. Will Big Rivers acknowledge that both of the Henderson Station Two Units are considered to be based-load generation units, and were not designed nor intended to be operated as peaking units or cycled for economic-commitment dispatch? If the response is in the negative, please state specifically and in detail the basis for your response.

32. Will Big Rivers acknowledge that both of the Henderson Station Two Units were placed into service in the early 1970s, and that Big Rivers' proposed cycling for economic-

commitment dispatch would increase the probability of a catastrophic failure of both Units? If the response is in the negative, please state specifically and in detail the basis for your response.


33. Has Big Rivers commissioned or otherwise obtained any engineering studies, or otherwise empirical data supporting its responses?

Respectfully submitted,



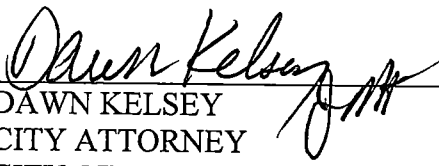
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CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing was forwarded this 26 day of September, 2016, via U.S. Mail, postage prepaid, or via facsimile, electronic mail, and/or hand delivery, to the following:

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