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February 3, 2017

Skill. Integrity. Efficiency.

VIA HAND-DELIVERY

Dr. Talina R. Mathews
Executive Director
Public Service Commission
211 Sower Boulevard, P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

FEB 3 2017

PUBLIC SERVICE
COMMISSION

Re: *In the Matter of: Application of Big Rivers
Electric Corporation for a Declaratory Order*
Case No. 2016-00278

Dear Dr. Mathews:

The Public Service Commission's January 31, 2017, Order in the above-referenced matter directed the parties to file any exhibits to be offered at the hearing which are not already in the record no later than today. Enclosed for filing on behalf of Big Rivers Electric Corporation are an original and ten copies of: (i) four exhibits that Big Rivers may introduce at the hearing which are not already in the record, and (ii) a petition for confidential treatment. I certify that on this date, a copy of this letter, a copy of the exhibits, and a copy of the petition were served on all persons listed on the attached service list by either hand-delivery or overnight courier.

Sincerely yours,

James M. Miller
Counsel for Big Rivers Electric Corporation

JMM/abg

Enclosures

cc: Service List

Service List
PSC Case No. 2016-00278

Hon. John N. Hughes
Attorney at Law
124 West Todd Street
Frankfort, Kentucky 40601

Hon. H. Randall Redding
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Henderson, Kentucky 42419-0043
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Commission d/b/a Henderson
Municipal Power & Light*

Hon. Dawn Kelsey, City Attorney
City of Henderson
222 First Street
Henderson, Kentucky 42420
Attorney for City of Henderson

Big Rivers Calculation

Henderson Calculation

Example 1 – 312 MW Generated, Henderson Native Load of 90 MW and No Third Party Sale

Energy generated by Station Two	= 312 MW	= 312 MW
Henderson's Native Load	= 90 MW	= 90 MW
Excess Henderson Energy	= 25 MW	= 25 MW
Big Rivers' allotted capacity	= 197 MW	= 197 MW

Example 2 – 115 MW Generated, Henderson Native Load of 90 MW and No Third Party Sale

Energy generated by Station Two	= 115 MW	= 115 MW
Henderson's Native Load	= 90 MW	= 90 MW
Excess Henderson Energy	= 25 MW	= 0 MW
Big Rivers' allotted capacity	= 0 MW	= 25 MW

Example 3 – 120 MW Generated, Henderson Native Load of 90 MW and No Third Party Sale

Energy generated by Station Two	= 120 MW	= 120 MW
Henderson's Native Load	= 90 MW	= 90 MW
Excess Henderson Energy	= 30 MW	= 0 MW
Big Rivers' allotted capacity	= 0 MW	= 30 MW

Example 3 – 235 MW Generated, Henderson Native Load of 90 MW and No Third Party Sale

Energy generated by Station Two	= 235 MW	= 235 MW
Henderson's Native Load	= 90 MW	= 90 MW
Excess Henderson Energy	= 25 MW	= 0 MW
Big Rivers' allotted capacity	= 120 MW	= 145 MW

Big Rivers Corporation
Excess Henderson Energy "EHE" Calculation P&L Comparison
2016

Line

No. EHE Calculation (Reservation - Load):

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	YTD 2016
1 Station II Net Generation MWhrs													
2 EHE MWhrs Sold to BREC	31,133	32,224	36,993	36,252	32,111	20,393	29,619	26,784	30,385	32,401	37,837	35,342	381,474
3													
4 DA/RT NET Revenue - EHE	\$ 709,204	\$ 689,162	\$ 744,448	\$ 843,033	\$ 703,632	\$ 505,908	\$ 829,527	\$ 737,732	\$ 806,520	\$ 860,412	\$ 930,411	\$ 1,035,821	\$ 9,395,810
5 Fee Paid to HMPL	\$ (46,700)	\$ (48,336)	\$ (55,490)	\$ (54,378)	\$ (48,167)	\$ (30,590)	\$ (44,429)	\$ (40,176)	\$ (45,578)	\$ (48,602)	\$ (56,756)	\$ (53,013)	\$ (572,211)
6 Avg Variable Cost - EHE													
7 Net Gain/(Loss) to BREC													

Economical EHE Only (Reservation - Load):

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	YTD 2016
8 EHE MWhrs Sold to BREC	135	201	-	217	-	2,253	5,630	5,499	3,875	3,539	1,494	6,743	29,586
9													
10													
11 DA/RT NET Revenue - EHE	\$ 5,454	\$ 7,920	\$ -	\$ 7,838	\$ -	\$ 96,082	\$ 264,144	\$ 234,783	\$ 176,569	\$ 144,504	\$ 57,372	\$ 284,573	\$ 1,279,238
12 Fee Paid to HMPL	\$ (203)	\$ (302)	\$ -	\$ (326)	\$ -	\$ (3,380)	\$ (8,445)	\$ (8,249)	\$ (5,813)	\$ (5,309)	\$ (2,241)	\$ (10,115)	\$ (44,379)
13 Avg Variable Cost - EHE													
14 Net Gain/(Loss) to BREC													
15													
16													
													% of EHE mWhrs "In" the \$: 7.8%

Big Rivers Corporation
Station II Actual Generation vs Generating Economically
2016

	Total Station Two Generation	Gain/(Loss) on Total Station Two Generation	Station Two Generation for HMPL Load net of SEPA mWhs	Gain/(Loss) Station Two Generation for HMPL Load ¹	Station Two Generation for Henderson Excess (Resv - Load) mWhs	Gain/(Loss) Station Two Generation for Henderson Excess Energy (Resv-Load)	Station Two Generation - BREC Share	Gain/(Loss) Station Two Generation - BREC Share
Market Higher than Variable Cost² -> Generate Economically:								
	245,148	\$620,925.51	71,140	\$188,667.21	36,500	(\$16,633.28)	137,508	\$448,891.58
January	-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00
February	-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00
March	-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00
April	-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00
May	-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00
June	-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00
July	62,548	\$68,233.97	18,474	\$19,171.53	9,126	(\$18,953.73)	34,948	\$68,016.17
August	19,268	\$111,735.16	5,881	\$31,859.05	2,399	\$4,156.35	10,988	\$75,719.77
September	82,851	\$306,159.31	23,811	\$100,535.67	12,069	(\$952.41)	46,971	\$206,576.05
October	16,277	(\$27,323.05)	4,908	(\$8,420.90)	3,372	(\$10,863.32)	7,997	(\$8,038.83)
November	-	\$0.00	-	\$0.00	-	\$0.00	-	\$0.00
December	64,204	\$162,120.11	18,066	\$45,521.86	9,534	\$9,979.83	36,604	\$106,618.42
Market Lower than Variable Cost -> Should Purchase at Market instead of Generating:								
	1,566,121	(\$12,901,324.70)	538,438	(\$5,055,529.48)	344,974	(\$3,417,354.33)	696,633	(\$4,940,702.60)
January	133,250	(\$1,493,223.92)	52,202	(\$597,758.00)	31,133	(\$372,371.70)	49,915	(\$523,094.21)
February	158,774	(\$1,896,578.10)	47,816	(\$562,264.73)	32,224	(\$397,590.44)	78,734	(\$936,722.94)
March	171,105	(\$2,095,013.23)	48,452	(\$588,476.58)	36,993	(\$465,004.60)	85,660	(\$1,041,532.05)
April	165,305	(\$1,452,833.16)	46,534	(\$408,551.16)	36,252	(\$341,208.89)	82,519	(\$703,073.11)
May	83,537	(\$1,560,878.77)	48,288	(\$1,004,341.35)	32,111	(\$618,649.69)	8,483	(\$151,266.12)
June	89,766	(\$1,164,510.54)	56,067	(\$900,085.75)	20,393	(\$313,507.38)	20,875	(\$224,756.75)
July	117,739	(\$314,107.82)	37,052	(\$102,920.94)	20,493	(\$121,012.57)	60,218	(\$90,325.58)
August	138,633	(\$490,531.31)	52,554	(\$193,315.40)	24,385	(\$159,078.06)	62,178	(\$148,171.79)
September	95,306	(\$247,125.45)	28,604	(\$67,697.36)	18,316	(\$75,046.46)	48,386	(\$104,381.63)
October	110,204	(\$480,521.20)	43,639	(\$197,695.69)	29,029	(\$138,462.73)	38,038	(\$159,221.56)
November	173,619	(\$1,286,678.16)	45,078	(\$334,172.67)	37,837	(\$300,233.23)	90,704	(\$652,272.27)
December	128,883	(\$419,323.04)	32,152	(\$98,249.86)	25,808	(\$115,188.59)	70,923	(\$205,884.59)
Grand Total	1,811,269	(\$12,280,399.19)	609,578	(\$4,866,862.27)	381,474	(\$3,433,987.61)	834,141	(\$4,491,811.02)

Please Note:

¹ Load mWhrs are priced at Big Rivers variable cost since HMPL actual variable cost is unknown

Coal Consumed by the City of Henderson

June 2016 through December 2016

2016	Native Load (tons)	Excess Henderson Energy (tons)	Total (tons)
June	22,067.69	8,194.30	30,261.99
July	24,713.19	10,594.08	35,307.27
August	26,019.36	9,477.58	35,496.94
September	23,117.34	11,596.73	34,714.07
October	21,687.53	12,936.50	34,624.03
November	20,053.48	16,056.83	36,110.31
December	22,432.01	12,680.78	35,112.79
Total	160,090.61	81,536.79	241,627.40

City of Henderson Coal Inventory Summary

June through December 2016

2016	Beginning Inventory (tons)	Purchases (tons)	Consumed (tons)	Inventory Adjustment (tons)	Ending Inventory (tons)
June	28,684.95	25,030.39	30,261.99		23,453.35
July	23,453.35	25,144.89	35,307.27		13,290.97
August	13,290.97	24,439.51	35,496.94		2,233.54
September	2,233.54	25,050.14	34,714.07		(7,430.39)
October	(7,430.39)	25,046.49	34,624.03		(17,007.93)
November	(17,007.93)	24,963.46	36,110.31		(28,154.78)
December	(28,154.78)	25,047.87	35,112.79	(7,008.70)	(45,228.40)
Total		174,722.75	241,627.40		

Coal Supplied by Big Rivers to the City

June through December 2016

2016	Coal Supplied (tons)	Coal Cost (\$/ton)	Total Cost (\$)
June	0.00	0	0
July	0.00	0	0
August	0.00	0	0
September	7,430.39	\$ 60.5886	\$ 450,196.93
October	9,577.54	\$ 60.4231	\$ 578,704.66
November	11,146.85	\$ 60.3877	\$ 673,132.63
December	17,073.62	\$ 61.3784	\$ 1,047,951.48
Total	45,228.40		\$ 2,749,985.70

Lime Consumed by the City of Henderson

June 2016 through December 2016

2016	Native Load (tons)	Excess Henderson Energy (tons)	Total (tons)
June	1,396	519	1,915
July	1,650	707	2,357
August	1,689	615	2,304
September	1,502	754	2,256
October	1,397	834	2,231
November	1,292	1,034	2,326
December	1,498	847	2,345
Total	10,424	5,310	15,734

City of Henderson Lime Inventory Summary

June through December 2016

2016	Beginning Inventory (tons)	Purchases (tons)	Consumed (tons)	Inventory Adjustment (tons)	Ending Inventory (tons)
June	3,232	0	1,915		1,317
July	1,317	0	2,357		(1,040)
August	(1,040)	3,423	2,304		79
September	79	0	2,256	283	(1,894)
October	(1,894)	3,313	2,231		(812)
November	(812)	1,618	2,326		(1,520)
December	(1,520)	1,612	2,345	164	(2,089)
Total		9,966	15,734		

Lime Supplied by Big Rivers to the City

June through December 2016

2016	Lime Supplied (tons)	Lime Cost (\$/ton)	Total Cost (\$)
June	0	0	0
July	0	0	0
August	0	0	0
September	1,894	\$ 108.2006	\$ 204,931.94
October	0	0	0
November	0	0	0
December	195	\$ 108.1885	\$ 21,096.76
Total	2,089		\$ 226,028.69