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Skill. Integrity. Efficiency.

October 5, 2016

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

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OCT 6 2016

PUBLIC SERVICE
COMMISSION

Re: *Filing of Agreement for the Purchase and Sale of Firm Capacity
and Energy between Big Rivers Electric Corporation and the
Kentucky Municipal Energy Agency, Case No. 2016-00306*

Dear Dr. Mathews:

Enclosed for filing in the above-referenced matter are an original and ten (10) copies of: (i) Big Rivers Electric Corporation's Responses to the First Requests for Information filed by the Kentucky Public Service Commission Staff and Kentucky Industrial Utility Customers, Inc.; 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 each of the persons listed on the attached service list by first class mail.

Sincerely,

Tyson Kamuf
Counsel for Big Rivers Electric Corporation

TAK/abg

Enclosures

cc: Service List

Service List
Case No. 2016-00306

Micheal L. Kurtz, Esq.
Kurt J. Boehm, Esq.
Jody Kyler Cohn, Esq.
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OCT 6 2016

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

**FILING OF AGREEMENT FOR THE
PURCHASE AND SALE OF FIRM CAPACITY
AND ENERGY BETWEEN BIG RIVERS
ELECTRIC CORPORATION AND THE
KENTUCKY MUNICIPAL ENERGY AGENCY**

**Case No.
2016-00306**

**Response to Commission Staff's Initial Request for Information
Dated September 26, 2016**

FILED: October 6, 2016

ORIGINAL

BIG RIVERS ELECTRIC CORPORATION

**FILING OF AGREEMENT FOR THE PURCHASE AND SALE OF FIRM
CAPACITY AND ENERGY BETWEEN BIG RIVERS ELECTRIC CORPORATION
AND THE KENTUCKY MUNICIPAL ENERGY AGENCY
CASE NO. 2016-00306**

**Response to Commission Staff's Initial Request for Information
dated September 26, 2016**

October 6, 2016

1 **Item 1) Refer to the Agreement for the Purchase and Sale of Firm Capacity and**
2 **Energy between Big Rivers Electric Corporation and the Kentucky Municipal Energy**
3 **Agency ("KyMEA") dated July 13, 2016, ("Agreement") page 9. Section 3.4 states,**
4 **"Buyer will sell, and the KyMEA Members will purchase, the full Capacity and Energy**
5 **requirements of such KyMEA Members . . . where the reasonably projected collective**
6 **annual peak demand for calendar year 2019 of the KyMEA Members under such**
7 **executed agreements is at least 200 MW." Reconcile this amount of capacity with the**
8 **amount of Contract Capacity shown in Section 4.2 of the Agreement.**

9
10 **Response)** Section 3.4 describes an Agreement contingency under which a sufficient
11 number of KyMEA Members must enter into All Requirements Agreements (AR Agreements)
12 with the KyMEA. KyMEA had estimated the reasonably projected collective annual peak
13 demand for calendar year 2019 of the KyMEA Members expected to enter into such AR
14 Agreements to be slightly greater than [REDACTED]. Section 3.4 sets the minimum sum of such
15 demand to be 200 MW as a condition of the obligations of the Parties under the Agreement.

16 [REDACTED]
17 [REDACTED]

BIG RIVERS ELECTRIC CORPORATION

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1 [REDACTED] The [REDACTED] Contract Capacity specified in
2 Section 4.2 is equal to [REDACTED].
3
4 **Witness)** Mark J. Eacret

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1 **Item 2)** State whether KyMEA intends to purchase power from entities other than
2 **Big Rivers.**

3

4 **Response)** It is the understanding of Big Rivers that KyMEA intends to purchase power
5 from entities other than Big Rivers. To Big Rivers' knowledge, KyMEA has not publicly
6 released any information about the initial composition of its power portfolio; however, Paducah
7 Power System has announced that it will provide between 30 MW and 104 MW to KyMEA for
8 ten years¹ and Illinois Power Marketing Company has announced a conditional three-year 100
9 MW wholesale power purchase agreement with KyMEA beginning June 1, 2019.² Various
10 articles and websites in some of the various KyMEA cities have published similar information.

11

12 **Witness)** Mark J. Eacret

¹ <http://paducahpower.com/wp-content/uploads/2012/05/August-2016.pdf>

² <http://www.dynegy.com/investors/presentations-events>, page 36 of the Second Quarter 2016 Review presentation, and <http://fpb.cc/news-and-updates/2016/7/22/kentucky-municipal-energy-agency-kymea>

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1 **Item 3) Provide the name and associated load of each KyMEA Member who would**
2 **be served by power provided by Big Rivers under the Agreement.**

3

4 **Response)** The table below presents information on the KyMEA members which Big Rivers
5 believes will be served under All Requirements Agreements with the KyMEA. Load
6 information was found in the Kentucky Utilities Company 2015 Form 1, page 310.

City	2015 Average Non-Coincident Demand (MW)	2015 Energy (MWh)
Barbourville	17	92,880
Bardwell	2	8,952
Benham	2	3,273
Corbin	16	82,728
Falmouth	3	19,699
Frankfort	121	712,264
Madisonville	49	300,870
Paris	12	62,801
Providence	5	30,189
Total	227	1,313,656

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1

2 **Witness)** Mark J. Eacret