

BOEHM, KURTZ & LOWRY

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Via Overnight Mail

October 14, 2016

Ms. Talina R. Matthews, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED

OCT 17 2016

PUBLIC SERVICE
COMMISSION

Re: Case No. 2016-00306


Dear Ms. Matthews:

Please find enclosed the original and ten (10) copies of KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC. SECOND SET OF DATA REQUESTS TO BIG RIVERS ELECTRIC CORPORATION (PUBLIC VERSION) for filing in the above-referenced matter. I also enclose the CONFIDENTIAL PAGES to be filed under seal.

The information filed under seal is information that Big Rivers sought confidential treatment through a Petition for Confidential Treatment dated August 5, 2016. KIUC redacted this information in order to protect Big River's interests in keeping this information confidential.

By copy of this letter, all parties listed on the Certificate of Service have been served. Please place this document of file.

Very Truly Yours,



Michael L. Kurtz, Esq.

Kurt J. Boehm, Esq.

Jody Kyler Cohn, Esq.

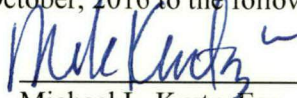
BOEHM, KURTZ & LOWRY

MLKkew
Attachment
cc:

Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by electronic mail (when available) and by regular, U.S. mail, unless other noted, this 14th day of October, 2016 to the following:



Michael L. Kurtz, Esq.

Kurt J. Boehm, Esq.

Jody Kyler Cohn, Esq.

Honorable James M Miller
Sullivan, Mountjoy, Stainback & Miller, PSC
100 St. Ann Street
P.O. Box 727
Owensboro, KENTUCKY 42302-0727

DeAnna Speed
Director Rates and Budgets
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42420

Honorable Tyson A Kamuf
Sullivan, Mountjoy, Stainback & Miller, PSC
100 St. Ann Street
P.O. Box 727
Owensboro, KENTUCKY 42302-0727

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF: FILING OF AGREEMENT FOR THE :
PURCHASE AND SALE OF FIRM CAPACITY AND ENERGY : Case No. 2016-00306
BETWEEN BIG RIVERS ELECTRIC CORPORATION AND THE :
KENTUCKY MUNICIPAL ENERGY AGENCY :

**KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.'s
SECOND SET OF DATA REQUESTS
TO
BIG RIVERS ELECTRIC CORPORATION
(PUBLIC VERSION)**

RECEIVED

OCT 17 2016

**PUBLIC SERVICE
COMMISSION**

Dated: October 13, 2016

DEFINITIONS

1. "Document(s)" is used in its customary broad sense and includes electronic mail and all written, typed, printed, electronic, computerized, recorded or graphic statements, memoranda, reports, communications or other matter, however produced or reproduced, and whether or not now in existence, or in your possession.
2. "Correspondence" is used in its customary broad sense and includes electronic email, including all attachments, and all written mail, messages and communications between the persons or parties named in the request.
3. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion whether preliminary or final, and whether or not referred to in Big Rivers' direct testimony.
4. If any document requested herein was at one time in existence, but has been lost, discarded or destroyed, identify such document as completely as possible, including the type of document, its date, the date or approximate date it was lost, discarded or destroyed, the identity of the person (s) who last had possession of the document and the identity of all persons having knowledge of the contents thereof.
5. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
6. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.
7. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number of code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Company's possession or subject to its control, state what disposition was made of it.
8. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
9. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
10. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.
11. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.
12. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.
13. "BREC" or "Big Rivers" means Big Rivers Electric Corporation and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.
2. These interrogatories are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Kentucky Industrial Utility Customers. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.
3. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.
4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.
6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.
8. Responses to requests for revenue, expense and rate base data should provide data on the basis of Total Company as well as Intrastate data, unless otherwise requested.

**SECOND SET OF DATA REQUESTS OF
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.
TO BIG RIVERS ELECTRIC CORPORATION
Case No. 2016-00306**

- Q.2-1 Please refer to your response to KIUC 1-1. Please provide a numerical example demonstrating that [REDACTED] will not result in an incremental change in the FAC.
- a) Please demonstrate whether there will be any change to the FAC (incremental or otherwise) as a result of the transaction.
- Q.2-2 Please refer to your response to KIUC 1-2. Please provide a description of the adjustments to the Environmental Surcharge that are anticipated as a result of the KyMEA transaction.
- Q.2-3 Please refer to your response to KIUC 1-4. Big Rivers' Member sales are approximately 3,300,000 mwh annually (excluding the smelters), with the average residential customer consuming approximately 1,300 kwh/month. According to your response, the Wilson depreciation deferral is expected to be approximately \$110 million in 2019 (the Coleman depreciation deferral is separately booked).
- a) Does Big Rivers agree that if the \$110 million Wilson depreciation deferral were to be recovered in Member rates over a 12 month period, then the average residential rate increase would be approximately \$43.33 per month (\$520 over the full year)?
- b) Please identify the considerations that management will weigh before recommending to the Board and to the Commission whether the Wilson deferral should be written off out of Member equity or recovered in Member rates.
- c) Item 1-4 (d) identifies the minimum Members' Equities' Balance under a formula contained in Section 6.07(b) of the Senior Secured Credit Agreement. Under this formula, what was the minimum Members' Equities' Balance at the end of 2015?
- d) Is it correct that as of August 2016, Big Rivers' Members' Equities' Balance was \$477,560,003?

Respectfully submitted,



Michael L. Kurtz, Esq.

Kurt J. Boehm, Esq.

Jody Kyler Cohn, Esq.

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**COUNSEL FOR KENTUCKY INDUSTRIAL
UTILITY CUSTOMERS, INC.**

October 13, 2016