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April 6, 2017

VIA FEDERAL EXPRESS

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APR 07 2017

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

PUBLIC SERVICE
COMMISSION

Re: *In the Matter of: An Examination of the Application of
the Fuel Adjustment Clause of Big Rivers Electric Corporation
from November 1, 2014 through October 31, 2016*
Case No. 2017-00006

Dear Dr. Mathews:

Enclosed for filing are an original and ten copies of Big Rivers Electric Corporation's responses to the Public Service Commission Staff's Third Request for Information in the above-referenced matter.

I certify that on this date a copy of this letter and a copy of the responses were served on each of the persons shown on the attached service list by first class mail.

Sincerely,

Tyson Kamuf
Counsel for Big Rivers Electric Corporation

TAK/abg

Enclosures

cc: Service List
DeAnna Speed

Service List
PSC Case No. 2017-00006

Michael L. Kurtz
Kurt J. Boehm
Jody Kyler Cohn
BOEHM, KURTZ & LOWRY
36 East Seventh Street
Suite 1510
Cincinnati, Ohio 45202
*Counsel for Kentucky Industrial
Utility Customers, Inc.*

ORIGINAL



Your Touchstone Energy® Cooperative 

RECEIVED

APR 07 2017

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

**AN EXAMINATION OF THE APPLICATION)
OF THE FUEL ADJUSTMENT CLAUSE)
OF BIG RIVERS ELECTRIC CORPORATION)
FROM)
NOVEMBER 1, 2014 THROUGH OCTOBER 31, 2016)**

**Case No.
2017-00006**

**Response to Commission Staff's
Third Request for Information
dated
March 28, 2017**

FILED: April 7, 2017

ORIGINAL

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL ADJUSTMENT
CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2014 THROUGH OCTOBER 31, 2016
CASE NO. 2017-00006**

VERIFICATION

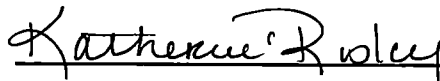
I, Roger D. Hickman, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Roger D. Hickman

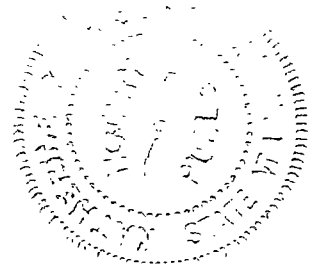
COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Roger D. Hickman on this the 3rd day of April, 2017.



Notary Public, Kentucky State at Large

My Commission Expires 10/31/2020




BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL ADJUSTMENT
CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2014 THROUGH OCTOBER 31, 2016
CASE NO. 2017-00006**

VERIFICATION

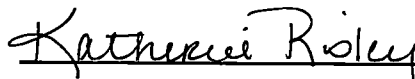
I, Jason C. Burden, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



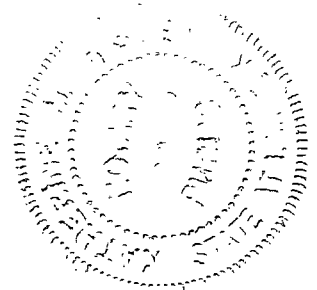
Jason C. Burden

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

7rd SUBSCRIBED AND SWORN TO before me by Jason C. Burden on this the
day of April, 2017.



Notary Public, Kentucky State at Large
My Commission Expires 10/31/2020



BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2014 THROUGH OCTOBER 31, 2016
CASE NO. 2017-00006**

**Response to the Commission Staff's
Third Request for Information
dated March 28, 2017**

April 7, 2017

1 Item 1) *Refer to Big Rivers' response to Commission Staff's Second*
2 *Request for Information ("Staff's Second Request"), Item 2, Attachment 1,*
3 *page 1 of 2.*

4

5 a. *Refer to the row for the expense month of June 2016.*
6 *Confirm that the amount in column "h" should be*
7 *289,686,270 rather than 289,688,270.*

8 b. *Refer to the rows for the expense months of July 2016*
9 *through September 2016. Explain why the amounts in*
10 *column "d" do not reconcile with the Total Fuel Cost per*
11 *kWh for these months as revised and filed with the fuel*
12 *adjustment clause filing for the expense month of October*
13 *2016 (Appendix A, page 1 of 8).*

14

15 **Response)**

16 a. Confirmed. The amount in column "h" should be 289,686,270
17 kWhs. With this change, the equation shown on line 7, page 2 of
18 4, of Big Rivers' response to Item 2 of the Staff's Second Request
19 would yield the same result though the denominator decreased by
20 2,000 kWhs. The restated equation is:

21

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
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CASE NO. 2017-00006**

**Response to the Commission Staff's
Third Request for Information
dated March 28, 2017**

April 7, 2017

1

$$\text{\$0.022992 per kWh} = \frac{\text{\$148,173,802} - \text{\$2,534,350}}{6,554,759,432 \text{ kWhs}}$$

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- b. The column "d" numbers for July 2016 through September 2016 were typographical errors. A revised Attachment 1 and a revised Attachment 2 are provided with the response. The input data changing from the prior attachments are shown in **bold green**. Please note, other than the change to column "h" addressed in sub-part 1a, there are no changes to the totals on Attachment 2.

With the changes to column "h" mentioned in sub-part 1a, and the changes to column "d" for July 2016 through September 2016, the following differences occur:

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2014 THROUGH OCTOBER 31, 2016
CASE NO. 2017-00006**

**Response to the Commission Staff's
Third Request for Information
dated March 28, 2017**

April 7, 2017

1

	<i>Original</i> Attachment 1 (Filed Mar 20, 2017)	<i>Revised</i> Attachment 1 (Filed Apr 7, 2017)	<i>Revised Attach 1 – Original Attach 1</i> Difference
12-Month Average Nov 2015 – Oct 2016 [Column (d)]	\$ 0.021773	\$ 0.022139	\$ 0.000366
12-Month Average Nov 2015 – Oct 2016 [Column (e)]	\$ 0.000841	\$ 0.001207	\$ 0.000366
24-Month Average Nov 2015 – Oct 2016 [Column (d)]	\$ 0.022366	\$ 0.022550	\$ 0.000184
24-Month Average Nov 2015 – Oct 2016 [Column (e)]	\$ 0.001434	\$ 0.001618	\$ 0.000184

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3

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Witness) Roger D. Hickman

5

Big Rivers Electric Corporation
Summary of Fuel Adjustment Clause Calculation Components
November 01, 2014 through October 31, 2016

(a)	(b)	(c)	(d)	(e) = (c) - (d)	(f)	(g)	(h)
<u>Expense Month</u>	<u>Billing Month</u>	<u>Base Fuel Cost per kWh¹</u>	<u>Total Fuel Cost per kWh¹</u>	<u>FAC Factor¹</u>	<u>Over/(Under) Recovery²</u>	<u>Fuel Cost \$ Schedule ("Fm")³</u>	<u>Sales(kWhs) Schedule ("Sm")⁴</u>
Nov 2014	Jan 2015	\$0.020932	\$0.023528	\$0.002596	\$79,030	6,633,041	281,921,640
Dec 2014	Feb 2015	\$0.020932	\$0.022482	\$0.001550	\$39,868	6,683,457	297,279,390
Jan 2015	Mar 2015	\$0.020932	\$0.023427	\$0.002495	\$52,483	7,757,638	331,139,411
Feb 2015	Apr 2015	\$0.020932	\$0.024102	\$0.003170	(\$23,137)	7,757,726	321,866,071
Mar 2015	May 2015	\$0.020932	\$0.024637	\$0.003705	(\$157,249)	6,835,026	277,423,822
Apr 2015	Jun 2015	\$0.020932	\$0.025064	\$0.004132	(\$210,625)	5,528,404	220,574,830
May 2015	Jul 2015	\$0.020932	\$0.021315	\$0.000383	\$74,593	5,086,349	238,627,289
Jun 2015	Aug 2015	\$0.020932	\$0.021526	\$0.000594	\$17,720	6,132,635	284,893,596
Jul 2015	Sep 2015	\$0.020932	\$0.022904	\$0.001972	\$18,762	7,248,735	316,479,854
Aug 2015	Oct 2015	\$0.020932	\$0.022545	\$0.001613	(\$70,332)	6,485,662	287,670,427
Sep 2015	Nov 2015	\$0.020932	\$0.023560	\$0.002628	(\$41,260)	6,174,932	262,090,356
Oct 2015	Dec 2015	\$0.020932	\$0.020429	(\$0.000503)	(\$78,282)	4,745,668	232,302,510
Twelve-Month Average		\$0.020932	\$0.022960	\$0.002028			
Nov 2015	Jan 2016	\$0.020932	\$0.021872	\$0.000940	(\$2,881)	5,206,167	238,030,276
Dec 2015	Feb 2016	\$0.020932	\$0.022782	\$0.001850	\$20,893	5,929,088	260,256,073
Jan 2016	Mar 2016	\$0.020932	\$0.021970	\$0.001038	\$111,389	7,040,670	320,466,470
Feb 2016	Apr 2016	\$0.020932	\$0.021465	\$0.000533	(\$40,977)	5,962,629	277,778,386
Mar 2016	May 2016	\$0.020932	\$0.021415	\$0.000483	(\$18,716)	5,196,584	242,663,843
Apr 2016	Jun 2016	\$0.020932	\$0.020786	(\$0.000146)	(\$9,551)	4,633,095	222,889,693
May 2016	Jul 2016	\$0.020932	\$0.020296	(\$0.000636)	(\$985)	4,660,637	229,637,681
Jun 2016	Aug 2016	\$0.020932	\$0.021856	\$0.000924	(\$38,190)	6,331,489	289,686,270
Jul 2016	Sep 2016	\$0.020932	\$0.023368	\$0.002436	(\$224,150)	7,212,482	308,650,870
Aug 2016	Oct 2016	\$0.020932	\$0.023579	\$0.002647	(\$402,519)	7,302,577	309,712,016
Sep 2016	Nov 2016	\$0.020932	\$0.023017	\$0.002085	(\$662,818)	6,229,998	270,671,678
Oct 2016	Dec 2016	\$0.020932	\$0.023267	\$0.002335	(\$967,416)	5,399,113	232,046,980
Twelve-Month Average		\$0.020932	\$0.022139	\$0.001207			

Case No. 2017-00006

Revised Attachment 1 for Response to PSC 2-2

Witness: Roger D. Hickman

Page 1 of 2

Big Rivers Electric Corporation
Summary of Fuel Adjustment Clause Calculation Components
November 01, 2014 through October 31, 2016

(a)	(b)	(c)	(d)	(e) = (c) - (d)	(f)	(g)	(h)
<u>Expense Month</u>	<u>Billing Month</u>	<u>Base Fuel Cost per kWh¹</u>	<u>Total Fuel Cost per kWh¹</u>	<u>FAC Factor¹</u>	<u>Over/(Under) Recovery²</u>	<u>Fuel Cost \$ Schedule ("Fm")³</u>	<u>Sales(kWhs) Schedule ("Sm")⁴</u>
24-Month Average		\$0.020932	\$0.022550	\$0.001618			
24-Month Totals					(\$2,534,350)	148,173,802	6,554,759,432
Two-Year Average Fuel Cost =						\$ 0.022992	

The notes on the following page provide source information for data and relevant explanations.

Note(s):

- 1.- See Big Rivers' Monthly Form A filing, page 1 of 2.
- 2.- See Big Rivers' Monthly Form A filing, page 2 of 4; see also Big Rivers' Monthly Form A filing, page 4 of 4.
- 3.- See Big Rivers' Monthly Form A filing, page 1 of 2; also see Big Rivers' Monthly Form A filing, page 2 of 4.
- 4.- See Big Rivers' Monthly Form A filing, page 1 of 2; also see Big Rivers' Monthly Form A filing, page 3 of 4.
- 5.- Reflects adjustments reported with Big Rivers' Monthly Form A filing for the March 2015 Expense Month and May 2015 Billing Month.
- 6.- Reflects adjustments reported with Big Rivers' Monthly Form A filing for the August 2015 Expense Month and October 2015 Billing Month.
- 7.- Reflects adjustments reported with Big Rivers' Monthly Form A filing for the February 2016 Expense Month and April 2016 Billing Month.
- 8.- Reflects adjustments reported with Big Rivers' Monthly Form A filing for the October 2016 Expense Month and December 2016 Billing Month.

Big Rivers Electric Corporation
Summary of Fuel Adjustment Clause Calculation Components
November 01, 2014 through October 31, 2016

***Excludes* monthly credit of \$311,111 from Fuel Cost beginning in October 2015 Expense Month**

(a)	(b)	(c)	(d)	(e) = (c) - (d)	(f)	(g)	(h)
<u>Expense Month</u>	<u>Billing Month</u>	<u>Base Fuel Cost per kWh¹</u>	<u>Restated Total Fuel Cost per kWh</u>	<u>Restated FAC Factor</u>	<u>Over/(Under) Recovery²</u>	<u>Restated Fuel Cost \$ Schedule ("Fm")</u>	<u>Sales(kWhs) Schedule ("Sm")³</u>
Nov 2014	Jan 2015	\$0.020932	\$0.023528	\$0.002596	\$79,030	6,633,041	281,921,640
Dec 2014	Feb 2015	\$0.020932	\$0.022482	\$0.001550	\$39,868	6,683,457	297,279,390
Jan 2015	Mar 2015	\$0.020932	\$0.023427	\$0.002495	\$52,483	7,757,638	331,139,411
Feb 2015 ⁴	Apr 2015	\$0.020932	\$0.024102	\$0.003170	(\$23,137)	7,757,726	321,866,071
Mar 2015	May 2015	\$0.020932	\$0.024637	\$0.003705	(\$157,249)	6,835,026	277,423,822
Apr 2015	Jun 2015	\$0.020932	\$0.025064	\$0.004132	(\$210,625)	5,528,404	220,574,830
May 2015	Jul 2015	\$0.020932	\$0.021315	\$0.000383	\$74,593	5,086,349	238,627,289
Jun 2015	Aug 2015	\$0.020932	\$0.021526	\$0.000594	\$17,720	6,132,635	284,893,596
Jul 2015 ⁵	Sep 2015	\$0.020932	\$0.022904	\$0.001972	\$18,762	7,248,735	316,479,854
Aug 2015	Oct 2015	\$0.020932	\$0.022545	\$0.001613	(\$70,332)	6,485,662	287,670,427
Sep 2015	Nov 2015	\$0.020932	\$0.023560	\$0.002628	(\$41,260)	6,174,932	262,090,356
Oct 2015	Dec 2015	\$0.020932	\$0.021768	\$0.000836	(\$78,282)	5,056,779	232,302,510
Twelve-Month Average		\$0.020932	\$0.023072	\$0.002140			
Nov 2015	Jan 2016	\$0.020932	\$0.023179	\$0.002247	(\$2,881)	5,517,278	238,030,276
Dec 2015	Feb 2016	\$0.020932	\$0.023977	\$0.003045	\$20,893	6,240,199	260,256,073
Jan 2016 ⁶	Mar 2016	\$0.020932	\$0.022941	\$0.002009	\$111,389	7,351,781	320,466,470
Feb 2016	Apr 2016	\$0.020932	\$0.022585	\$0.001653	(\$40,977)	6,273,740	277,778,386
Mar 2016	May 2016	\$0.020932	\$0.022697	\$0.001765	(\$18,716)	5,507,695	242,663,843
Apr 2016	Jun 2016	\$0.020932	\$0.022182	\$0.001250	(\$9,551)	4,944,206	222,889,693
May 2016	Jul 2016	\$0.020932	\$0.021650	\$0.000718	(\$985)	4,971,748	229,637,681
Jun 2016 ⁷	Aug 2016	\$0.020932	\$0.022930	\$0.001998	(\$38,190)	6,642,600	289,686,270
Jul 2016 ⁷	Sep 2016	\$0.020932	\$0.024376	\$0.003444	(\$224,150)	7,523,593	308,650,870
Aug 2016 ⁷	Oct 2016	\$0.020932	\$0.024583	\$0.003651	(\$402,519)	7,613,688	309,712,016
Sep 2016 ⁷	Nov 2016	\$0.020932	\$0.024166	\$0.003234	(\$662,818)	6,541,109	270,671,678
Oct 2016	Dec 2016	\$0.020932	\$0.024608	\$0.003676	(\$967,416)	5,710,224	232,046,980
Twelve-Month Average		\$0.020932	\$0.023323	\$0.002391			

Case No. 2017-00006

Revised Attachment 2 for Response to PSC 2-2

Witness: Roger D. Hickman

Big Rivers Electric Corporation
Summary of Fuel Adjustment Clause Calculation Components
November 01, 2014 through October 31, 2016

Excludes monthly credit of \$311,111 from Fuel Cost beginning in October 2015 Expense Month

(a)	(b)	(c)	(d)	(e) = (c) - (d)	(f)	(g)	(h)
<u>Expense Month</u>	<u>Billing Month</u>	<u>Base Fuel Cost per kWh¹</u>	<u><i>Restated</i> Total Fuel Cost per kWh</u>	<u><i>Restated</i> FAC Factor</u>	<u>Over/(Under) Recovery²</u>	<u><i>Restated</i> Fuel Cost \$ Schedule ("Fm")</u>	<u>Sales(kWhs) Schedule ("Sm")³</u>
24-Month Average		\$0.020932	\$0.023197	\$0.002265			

Note(s):

- 1.- See Big Rivers' Monthly Form A filing, page 1 of 2.
- 2.- See Big Rivers' Monthly Form A filing, page 2 of 4; see also Big Rivers' Monthly Form A filing, page 4 of 4.
- 3.- See Big Rivers' Monthly Form A, page 1 of 2; also see Big Rivers' Monthly Form A, page 3 of 4.
- 4.- Reflects adjustments reported with Big Rivers' Monthly Form A filing for the March 2015 Expense Month and May 2015 Billing Month.
- 5.- Reflects adjustments reported with Big Rivers' Monthly Form A filing for the August 2015 Expense Month and October 2015 Billing Month.
- 6.- Reflects adjustments reported with Big Rivers' Monthly Form A filing for the February 2016 Expense Month and April 2016 Billing Month.
- 7.- Reflects adjustments reported with Big Rivers' Monthly Form A filing for the October 2016 Expense Month and December 2016 Billing Month.

BIG RIVERS ELECTRIC CORPORATION

**AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF BIG RIVERS ELECTRIC CORPORATION
FROM NOVEMBER 1, 2014 THROUGH OCTOBER 31, 2016
CASE NO. 2017-00006**

**Response to the Commission Staff's
Third Request for Information
dated March 28, 2017**

April 7, 2017

- 1 **Item 2)** *Refer to Big Rivers' response to Staff's Second Request, Item 3.*
2 *Confirm that the response indicates that the North America Electric*
3 *Reliability Corporation guidelines and the Institute of Electrical and*
4 *Electronics Engineers guidelines are the same. If this cannot be*
5 *confirmed, explain.*
6
7 **Response)** Confirmed.
8
9
10 **Witness)** Jason C. Burden