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April 28, 2017

VIA FEDERAL EXPRESS

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

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MAY 01 2017

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: (i) Big Rivers Electric Corporation's responses to the Public Service Commission Staff's Post-Hearing Request for Information, 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 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

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 

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**

**Responses to Commission Staff's Post-Hearing
Request for Information
dated
April 21, 2017**

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**PUBLIC SERVICE
COMMISSION**

FILED: May 1, 2017

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MAY 01 2011
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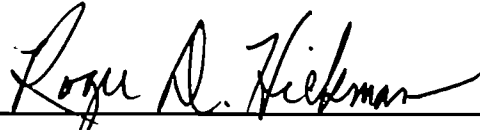
MAY 01 2011

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)

27th SUBSCRIBED AND SWORN TO before me by Roger D. Hickman on this the
 day of April, 2017.



Notary Public, Kentucky State at Large

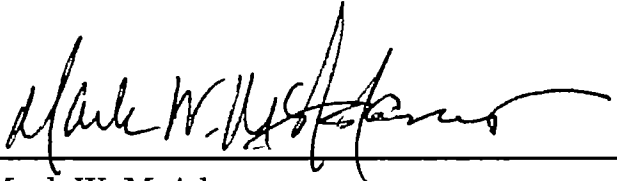
My Commission Expires 10-31-2020

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**

VERIFICATION

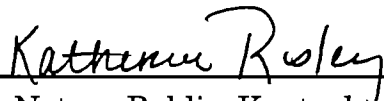
I, Mark W. McAdams, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Mark W. McAdams

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

27th SUBSCRIBED AND SWORN TO before me by Mark W. McAdams on this the
day of April, 2017.



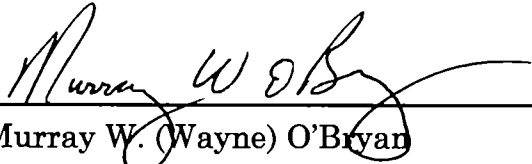
Notary Public, Kentucky State at Large
My Commission Expires 10-31-2020

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
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VERIFICATION

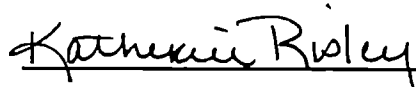
I, Murray W. (Wayne) O'Bryan, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Murray W. (Wayne) O'Bryan

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN TO before me by Murray W. (Wayne) O'Bryan
on this the 27th 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 Commission Staff's Post-Hearing
Request for Information**

**dated
April 21, 2017**

May 1, 2017

1 *Item 1) Refer to Big Rivers' response to the February 6, 2017*
2 *Information Request ("Commission's First Request"), Item 12, pages 19-24*
3 *of 24. On line 13 of each of these pages, "Adm Investor Services" is shown*
4 *in the left column. At the Formal Hearing held in this matter on April 18,*
5 *2017, Big Rivers noted these were financial transactions entered into by*
6 *Big Rivers. For the two-year review period, explain if the financial*
7 *transactions entered into by Big Rivers have been profitable.*

8

9 **Response)** Big Rivers uses both the financial transactions referenced in this
10 question and the back-to-back ("BTB") transactions discussed in the hearing to fix,
11 or hedge, the price that it receives for a portion of the energy above that which is
12 needed to serve its Member-Owners. Big Rivers hedges that price at a level that
13 will lock in a positive margin for off system sales, as part of a broader strategy to
14 reduce the volatility of Big Rivers' earnings and cash flow until longer-term
15 transactions begin in 2018 and 2019. So yes, the transactions are profitable.

16 To describe how Big Rivers uses these transactions, it is best to first
17 consider a scenario where there are no hedging transactions. Big Rivers would
18 generate a MWh at one of its plants, Wilson for example, and receive the MISO
19 Locational Marginal Price ("LMP") for that hour at Wilson from MISO. That price
20 would change every hour and would be subject to fluctuations in supply and

BIG RIVERS ELECTRIC CORPORATION

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dated
April 21, 2017
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1 demand as well as transmission issues. Big Rivers can fix that price in advance
2 using either physical BTB or financial transactions.

3 In a physical BTB transaction, maintaining the Wilson example, Big Rivers
4 buys energy at the Indiana Hub ("IndyHub"), which is the most liquid trading
5 point within MISO, at the floating LMP spot price. It then sells the energy again
6 to a counterparty at a fixed contract price. The purchase at Indiana Hub at the
7 floating spot price offsets the floating spot sale at Wilson, leaving only the sale at
8 the fixed contract price.

9 Under a financial transaction, there is no physical purchase and sale at
10 IndyHub. Instead, the floating spot IndyHub price is subtracted from the fixed
11 contract price to calculate a financial settlement. The end result is the same,
12 under either approach.

13 Big Rivers generally uses physical transactions, however, there are
14 occasions when the fixed contract price for financial transactions is higher than
15 for physical transactions. In those cases, Big Rivers may choose a financial
16 transaction over a physical transaction.

17 By fixing prices in advance using physical or financial transactions, Big
18 Rivers can lock in profitable margins and reduce the impact of uncertainty created
19 by volatile energy spot markets on its budgeting and forecasting processes.

20

21 **Witness)** Wayne O'Bryan

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 Commission Staff's Post-Hearing
Request for Information
dated
April 21, 2017

May 1, 2017**

1 **Item 2) Refer to Big Rivers' response to Commission Staff's Third**
2 **Request for Information, Item 1. Provide this response in Excel**
3 **spreadsheet format with all cells shown and formulas intact.**

4
5 **Response)** Accompanying these responses is a CD with the following file –
6 **PSC 3-1 - FAC Summary - Nov 01 2014 - Oct 31 2016 - FINAL RVD from PSC 2-2.**
7 **This file contains two worksheets. The first worksheet reflects corrections from**
8 **the original schedule provided with Big Rivers' response to Item 2 of Commission**
9 **Staff's Second Request for Information. The second worksheet reflects the**
10 **elimination of the \$311,111 monthly credit from the first worksheet.**

11
12
13
14

Witness) Roger D. Hickman

BIG RIVERS ELECTRIC CORPORATION

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

**Response to Commission Staff's Post-Hearing
Request for Information
dated
April 21, 2017

May 1, 2017**

1 **Item 3)** *Provide the estimated average fuel cost per kWh for 2017 and*
2 *2018.*

3

4 **Response)** Big Rivers' estimated average fuel cost per kWh for 2017 and 2018 is
5 shown in the table below.

6

Big Rivers Electric Corporation Estimated Average Fuel Cost	
2017 ¹	2018

7

8

9 **Witness)** Mark W. McAdams

10

¹ The estimated average fuel cost for 2017 includes three months of actual FAC data, *i.e.*, the FAC expense months of January, February, and March, 2017. The remaining months are from Big Rivers' Board-approved budget.

BIG RIVERS ELECTRIC CORPORATION

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CASE NO. 2017-00006**

**Response to Commission Staff's Post-Hearing
Request for Information
dated
April 21, 2017

May 1, 2017**

1 **Item 4)** *If the Commission were to decide that a change in the base*
2 *fuel cost was necessary, provide which month should be used as the base*
3 *period and explain why that month is the most representative of fuel costs*
4 *going forward. Include in the response the present and proposed rates if*
5 *a change were to be ordered using that base period.*

6
7 **Response)** To select a month which might be used as the base period for base
8 fuel cost, Big Rivers reviewed (i) the seven months at the end of the current
9 review period, *i.e.*, April 2016 through October 2016; (ii) the five months
10 subsequent to the review period, *i.e.*, November 2016 through March 2017; and
11 (iii) its fuel cost forecast for the months of April 2017 through December 2018.
12 Based on that review, and for the reasons stated in Big Rivers' response to Item
13 2(c) of the Commission Staff's Second Request for Information, Big Rivers expects
14 that its most recent actual and its forecasted fuel costs will be more representative
15 of its ongoing fuel costs than the actual fuel costs from earlier months.

16 For the period of January 2017 through December 2018, the largest
17 estimated monthly fuel cost amount is [REDACTED] per kWh and the smallest is
18 [REDACTED] per kWh, making the mid-point [REDACTED] per kWh [= [REDACTED]
19 *plus* [REDACTED] / 2]. Both of these monthly fuel cost amounts are beyond the
20 March 2017 FAC expense month, *i.e.*, they are values from Big Rivers' Board-

BIG RIVERS ELECTRIC CORPORATION

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CASE NO. 2017-00006**

**Response to Commission Staff's Post-Hearing
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dated
April 21, 2017

May 1, 2017**

1 approved budget. Should the Commission decide that a change in Big Rivers' base
2 fuel cost is in order, Big Rivers believes that March 2017 should be used as the
3 new base period.

4 Big Rivers has selected March 2017 for a few reasons. First, the fuel cost
5 per kWh for March (\$ 0.021845 per kWh) is close to the mid-point of the January
6 2017 through December 2018 period mentioned above. Second, March 2017 is the
7 most recent month for which Big Rivers has filed a Form A. Third, March 2017
8 represents a month in which Big Rivers is not likely to experience any system
9 peaks since Big Rivers system peaks usually occur in the winter or the summer.
10 Fourth, March 2017 follows the expiration of the \$311,111 monthly credit.² The
11 fuel cost schedule, the sales in kWhs, and the fuel cost per kWh (\$ 0.021845) for
12 March 2017 are shown on the attachment accompanying this response. This
13 attachment reflects the schedules which Big Rivers would have provided in
14 response to Item 2 and Item 3 of Commission Staff's Initial Request for
15 Information had Big Rivers proposed a change in the base fuel cost.

16 Consequently, should the Commission order a change using March 2017 as
17 the new base period, present and proposed rates would change by \$ 0.000913.

18

² Monthly FAC Credit of \$311,111 for each month beginning with the FAC filing for the October 2015 expense month, per Big Rivers' revised FAC tariff filed with the Commission on November 12, 2015, pursuant to the Stipulation and Recommendation Agreement approved by the Commission's Order, dated July 27, 2015, in Case No. 2014-00455.

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FROM NOVEMBER 1, 2014 THROUGH OCTOBER 31, 2016
CASE NO. 2017-00006**

**Response to Commission Staff's Post-Hearing
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dated
April 21, 2017
May 1, 2017**

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$$\$ 0.000913 = \$ 0.021845 \text{ March 2017} - \$ 0.020932 \text{ Current Base Fuel}$$

Furthermore, the present rates that would be affected by a change in the base fuel cost and the proposed rates that would result, if a change using the March 2017 base period is ordered, are noted in the following table.

Big Rivers Electric Corporation Present and Proposed Rates Assuming March 2017 Base Period		
Standard Rate Schedule / Adjustment Clause	Present Rate	Proposed Rate
Rural Delivery Service [RDS] PSC No. 27, Original Sheet No. 1	\$ 0.045000 per kWh	\$ 0.045913 per kWh
Large Industrial Customer [LIC] PSC No. 27, Original Sheet No. 27	\$ 0.038050 per kWh	\$ 0.038963 per kWh
Qualifying Facility Sales [QFS] PSC No. 27, Original Sheet No. 46	\$ 0.045000 per kWh	\$ 0.045913 per kWh
Fuel Adjustment Clause [FAC] PSC No. 27, Original Sheet No. 62	\$ 0.020932 per kWh	\$ 0.021845 per kWh

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Big Rivers believes that the above information further supports its position that no change in its base fuel cost is necessary at this time, and that the magnitude of the change is insufficient to justify the reprogramming time and costs that would be incurred across four organizations, Big Rivers and its three

BIG RIVERS ELECTRIC CORPORATION

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dated
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May 1, 2017**

- 1 Member Owners – Jackson Purchase Energy Corporation, Kenergy Corp., and
2 Meade County Rural Electric Cooperative Corporation.
3
4
5 **Witnesses)** Roger D. Hickman and
6 Mark W. McAdams
7

Big Rivers Electric Corporation
Case No. 2017-00006
Sales Schedule (kWh)
Assuming a new base period of March 2017

(A)	Generation (Net)	412,674,169
	Purchases including interchange-in	395,430,562
	SUB-TOTAL	808,104,731
(B)	Inter-system Sales including interchange-out	536,928,235
	Supplemental Sales to Smelters	-
	Back-up Sales to Smelters	-
	Back-up and Energy Imbalance Sales Domtar	4,234,939
	System Losses	18,198,904
	SUB-TOTAL	559,362,078
	Total Sales (A-B)	248,742,653

Big Rivers Electric Corporation
Case No. 2017-00006
Fuel Cost Schedule (\$)
Assuming a new base period of March 2017

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$	8,453,818
Pet Coke Burned	(+)		1,339,461
Oil Burned	(+)		242,704
Gas Burned	(+)		6,159
Propane Burned	(+)		-
MISO Make Whole Payments	(-)		7,468
Fuel (Assigned Cost during Forced Outage)	(+)		338,644
Fuel (Substitute Cost for Forced Outage)	(-)		91,777
Fuel (Supplemental and Back-Up energy to Smelters)	(-)		-
Fuel (Domtar back up / imbalance generation)	(-)		-
SUB-TOTAL		\$	10,281,541
(B) <u>Purchases</u>			
Net Energy Cost - Economy Purchases	(+)	\$	538,450
Identifiable Fuel Cost -Other Purchases	(+)		3,297,704
Identifiable Fuel Cost - Forced Outage Purchases	(+)		373,602
Identifiable Fuel Cost (Substitute for Forced Outage)	(-)		373,602
Less Purchases for Supplemental and Back-Up energy to Smelters (-)	(-)		-
Less purchases for Domtar back-up	(-)		134,181
Less purchases above highest cost units	(-)		-
SUB-TOTAL		\$	3,701,973
(C) <u>Inter-System Sales</u>			
Including interchange-out		\$	8,527,923
(D) <u>Over or (Under) Recovery</u>			
		\$	21,760
(E) <u>FAC Credit</u>			
FAC Credit per Stipulation Agreement (Case No. 2014-00455) <i>has been removed</i> ⁽¹⁾		\$	-
Total Fuel Recovery [(A)+(B)-(C)-(D)-(E)]		\$	5,433,831
Total Fuel Cost Recovered per kWh		\$	0.021845

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

PUBLIC SERVICE
COMMISSION

In the Matter of:

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

PETITION OF BIG RIVERS ELECTRIC CORPORATION FOR CONFIDENTIAL PROTECTION

1. Big Rivers Electric Corporation (“Big Rivers”) hereby petitions the Kentucky Public Service Commission (“Commission”), pursuant to 807 KAR 5:001 Section 13 and KRS 61.878, to grant confidential protection to certain information contained in Big Rivers’ responses to Items 3 and 4 of the Commission Staff’s Post-Hearing Request for Information (the “Confidential Information”).

2. The Confidential Information consists of Big Rivers’ projected fuel costs.

3. One (1) copy of the pages containing Confidential Information, with the Confidential Information highlighted with transparent ink, printed on yellow paper, or otherwise marked “CONFIDENTIAL,” is being filed with this petition. Ten (10) copies of the pages containing Confidential Information, with the Confidential Information redacted, are also being filed with this petition. 807 KAR 5:001 Section 13(2)(a)(3).

4. A copy of this petition and a copy of the pages containing Confidential Information, with the Confidential Information redacted, have been served on all parties of record. 807 KAR 5:001 Section 13(2)(b).

1 5. If and to the extent the Confidential Information becomes generally available to
2 the public, whether through filings required by other agencies or otherwise, Big Rivers will
3 notify the Commission and have its confidential status removed. 807 KAR 5:001 Section
4 13(10)(b).

5 6. As discussed below, the Confidential Information is entitled to confidential
6 protection based upon KRS 61.878(1)(c)(1), which protects “records confidentially disclosed to
7 an agency or required by an agency to be disclosed to it, generally recognized as confidential or
8 proprietary, which if openly disclosed would permit an unfair commercial advantage to
9 competitors of the entity that disclosed the records.” KRS 61.878(1)(c)(1); 807 KAR 5:001
10 Section 13(2)(a)(1). Section A below explains that Big Rivers operates in competitive
11 environments in the wholesale power market and in the credit market. Section B below shows
12 that the Confidential Information is generally recognized as confidential or proprietary. Section
13 C below demonstrates that public disclosure of the Confidential Information would permit an
14 unfair commercial advantage to Big Rivers’ competitors.

15 **A. Big Rivers Faces Actual Competition**

16 7. As a generation and transmission cooperative, Big Rivers competes in the
17 wholesale power market. This includes not only the short-term bilateral energy market, the day-
18 ahead and real time energy and ancillary services markets, and the capacity market to which Big
19 Rivers has access by virtue of its membership in Midcontinent Independent System Operator,
20 Inc. (“MISO”), but also forward bilateral long-term agreements and wholesale agreements with
21 utilities and industrial customers. Big Rivers’ ability to successfully compete in the market is
22 dependent upon a combination of its ability to: 1) obtain the maximum price for the power it
23 sells, and 2) keep its cost of production as low as possible. Fundamentally, if Big Rivers’ cost of

1 producing a unit of power increases, its ability to sell that unit in competition with other utilities
2 is adversely affected.

3 8. Big Rivers also competes for reasonably priced credit in the credit markets, and
4 its ability to compete is directly impacted by its financial results. Lower revenues and any events
5 that adversely affect Big Rivers' margins will adversely affect its financial results and potentially
6 impact the price it pays for credit. A competitor armed with Big Rivers' proprietary and
7 confidential information will be able to increase Big Rivers' costs or decrease Big Rivers'
8 revenues, which could in turn affect Big Rivers' apparent creditworthiness. A utility the size of
9 Big Rivers that operates generation and transmission facilities will always have periodic cash
10 and borrowing requirements for both anticipated and unanticipated needs. Big Rivers expects to
11 be in the credit markets on a regular basis in the future, and it is imperative that Big Rivers
12 improve and maintain its credit profile.

13 9. Accordingly, Big Rivers has competitors in both the power and capital markets,
14 and its Confidential Information should be protected to prevent the imposition of an unfair
15 competitive advantage.

16 **B. The Confidential Information is Generally Recognized as Confidential or**
17 **Proprietary**

18 10. The Confidential Information for which Big Rivers seeks confidential treatment
19 under KRS 61.878(1)(c)(1) is generally recognized as confidential or proprietary under Kentucky
20 law.

21 11. As noted above, the Confidential Information consists of Big Rivers' projected
22 fuel costs. Public disclosure of this information would give Big Rivers' suppliers and
23 competitors insight into Big Rivers' view of future fuel prices, which would indicate the prices at
24 which Big Rivers is willing to buy fuel.

1 12. Information about a company’s detailed inner workings is generally recognized as
2 confidential or proprietary. *See, e.g., Hoy v. Kentucky Indus. Revitalization Authority*, 907
3 S.W.2d 766, 768 (Ky. 1995) (“It does not take a degree in finance to recognize that such
4 information concerning the inner workings of a corporation is ‘generally recognized as
5 confidential or proprietary’”). Moreover, the Commission has previously granted confidential
6 treatment to similar information. *See, e.g.,* letters from the Commission dated July 28, 2011, and
7 December 20, 2011, in *In the Matter of: Application of Big Rivers Electric Corporation for a*
8 *General Adjustment in Rates*, P.S.C. Case No. 2011-00036 (granting confidential treatment to
9 multi-year forecast); letter from the Commission dated December 21, 2010, in *In the Matter of:*
10 *The 2010 Integrated Resource Plan of Big Rivers Electric Corporation*, P.S.C. Case No. 2010-
11 00443 (granting confidential treatment to fuel cost projections, market price projections,
12 financial model outputs, etc.).

13 13. The Confidential Information is not publicly available, is not disseminated within
14 Big Rivers except to those employees and professionals with a legitimate business need to know
15 and act upon the information, and is not disseminated to others without a legitimate need to
16 know and act upon the information. As such, the Confidential Information is generally
17 recognized as confidential and proprietary.

18 **C. Public Disclosure of the Confidential Information Would Permit an Unfair**
19 **Commercial Advantage to Big Rivers’ Competitors**

20 14. Public disclosure of the Confidential Information would permit an unfair
21 commercial advantage to Big Rivers’ competitors. As discussed above, Big Rivers faces actual
22 competition in both the short- and long-term wholesale power markets and in the credit markets.
23 It is likely that Big Rivers’ ability to compete in these markets would be adversely affected if the

1 Confidential Information was publicly disclosed, and Big Rivers seeks protection from such
2 competitive injury.

3 15. If the Confidential Information is publicly disclosed, potential fuel suppliers
4 would have insight into the prices Big Rivers is willing to buy fuel and could manipulate the
5 bidding process, leading to higher prices for Big Rivers and impairing its ability to compete in
6 the wholesale power and credit markets. In P.S.C. Case No. 2003-00054, the Commission
7 granted confidential protection to bids submitted to Union Light, Heat & Power (“ULH&P”).
8 ULH&P argued, and the Commission implicitly accepted, that if the bids it received were
9 publicly disclosed, contractors on future work could use the bids as a benchmark, which would
10 likely lead to the submission of higher bids. *In the Matter of: Application of the Union Light,
11 Heat and Power Company for Confidential Treatment*, Order, P.S.C. Case No. 2003-00054
12 (August 4, 2003). The Commission also implicitly accepted ULH&P’s further argument that the
13 higher bids would lessen ULH&P’s ability to compete with other gas suppliers. *Id.* Similarly,
14 potential fuel suppliers manipulating Big Rivers’ bidding process would lead to higher costs to
15 Big Rivers and would place it at an unfair competitive disadvantage in the wholesale power
16 market and credit markets.

17 16. Additionally, public disclosure of the Confidential Information would give the
18 power producers and marketers with which Big Rivers competes in the wholesale power market
19 insight into Big Rivers’ cost of producing power. Knowledge of this information would give
20 those power producers and marketers an unfair competitive advantage because they could use
21 that information to potentially underbid Big Rivers in wholesale transactions.

1 17. Accordingly, the public disclosure of the information that Big Rivers seeks to
2 protect pursuant to KRS 61.878(1)(c)(1) would provide Big Rivers' competitors with an unfair
3 commercial advantage.

4 **D. Time Period**

5 18. Big Rivers requests that the Confidential Information remain confidential for a
6 period of five (5) years from the date of this petition, which will allow sufficient time for the
7 projected data to become sufficiently outdated that it could not be used to determine similar
8 confidential information at that time or to competitively disadvantage Big Rivers. 807 KAR
9 5:001 Section 13(2)(a)(2).

10 **E. Conclusion**

11 19. Based on the foregoing, the Confidential Information is entitled to confidential
12 protection. If the Commission disagrees that Big Rivers is entitled to confidential protection, due
13 process requires the Commission to hold an evidentiary hearing. *See Utility Regulatory Com'n v.*
14 *Kentucky Water Service Co., Inc.*, 642 S.W.2d 591 (Ky. App. 1982).

15 WHEREFORE, Big Rivers respectfully requests that the Commission classify and protect
16 as confidential the Confidential Information.

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On this the 28th day of April, 2017.

Respectfully submitted,



James M. Miller
Tyson Kamuf
SULLIVAN, MOUNTJOY, STAINBACK
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