



201 Third Street  
P.O. Box 24  
Henderson, KY 42419-0024  
270-827-2561  
www.bigrivers.com

December 6, 2019

RECEIVED

VIA FedEx Overnight Delivery

DEC 09 2019

Ms. Gwen R. Pinson  
Executive Director  
Public Service Commission  
211 Sower Boulevard, P.O. Box 615  
Frankfort, Kentucky 40602-0615

PUBLIC SERVICE  
COMMISSION

Re: *In the Matter of: Application of Big Rivers Electric Corporation for a Certificate of Public Convenience and Necessity to Construct a 161 kV Transmission Line, and a 345 kV Transmission Line in Meade County, Kentucky – Case No. 2019-00270*

Dear Ms. Pinson:

Enclosed for filing on behalf of Big Rivers Electric Corporation (“Big Rivers”) are an original and six (6) copies of Big Rivers’ responses to Commission Staff’s Second Request for Information dated November 22, 2019.

Please confirm the Commission’s receipt of these responses by placing the Commission’s filestamp on the indicated documents and returning them to Big Rivers in the pre-addressed, postage paid envelop provided.

Please feel free to contact me if you have any questions.

Sincerely,

Tyson Kamuf  
Corporate Attorney  
Big Rivers Electric Corporation  
[tkamuf@bigrivers.com](mailto:tkamuf@bigrivers.com)

**ORIGINAL**

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DEC 09 2019

PUBLIC SERVICE  
COMMISSION



Your Touchstone Energy® Cooperative 

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

In the Matter of:

APPLICATION OF )  
 BIG RIVERS ELECTRIC CORPORATION )  
 FOR A CERTIFICATE OF PUBLIC )  
 CONVENIENCE AND NECESSITY TO )  
 CONSTRUCT A 161 KV TRANSMISSION LINE, )  
 AND A 345 KV TRANSMISSION LINE IN )  
 MEADE COUNTY, KENTUCKY )

Case No.  
2019-00270

Responses to Commission Staff's  
Second Request for Information  
dated  
November 22, 2019

FILED: December 9, 2019

**ORIGINAL**

**BIG RIVERS ELECTRIC CORPORATION**  
**APPLICATION OF**  
**BIG RIVERS ELECTRIC CORPORATION**  
**FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**  
**TO CONSTRUCT A 161 KV TRANSMISSION LINE AND**  
**A 345 KV TRANSMISSION LINE IN MEADE COUNTY, KENTUCKY**  
**CASE NO. 2019-00270**

**VERIFICATION**

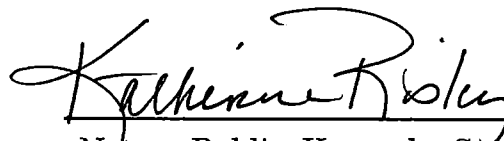
I, Michael W. ("Mike") Chambliss, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Michael W. ("Mike") Chambliss

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON )

SUBSCRIBED AND SWORN TO before me by Michael W. ("Mike") Chambliss on this the 17<sup>th</sup> day of December, 2019.



Notary Public, Kentucky State at Large

My Commission Expires

Oct. 31, 2020



**BIG RIVERS ELECTRIC CORPORATION**  
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**Response to Commission Staff**  
**Second Request for Information**  
**dated November 22, 2019**

**December 9, 2019**

1 Item 1) *Refer to BREC's response to Commission Staff's First Request for*  
2 *Information (Staff's First Request), Item 2.c. Provide a copy of the Burns &*  
3 *McDonnell Environmental Assessment once it has been completed, and*  
4 *explain any actions BREC is required to take to mitigate any identified*  
5 *environmental issues.*

6

7 **Response)** Big Rivers will provide the Burns & McDonnell Environmental  
8 Assessment ("EA") for all seven transmission projects to Commission Staff as soon as  
9 it is ready. If the EA identifies any environmental impacts, Big Rivers will work to  
10 mitigate these issues and report these mitigating measures to the Commission.

11

12

13 **Witness)** Michael W. Chambliss

14

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1 **Item 2)**     *Refer to BREC's response to Staff's First Request, Item 6.a.,*  
2 *regarding the editorial in the November 7, 2019 edition of the Brandenburg-*  
3 *Meade County Messenger. Provide a response addressing the issues raised in*  
4 *the editorial.*

5  
6 **Response)** Neither Big Rivers nor Meade County RECC were given the opportunity  
7 to provide input into the editorial, and it contains a number of errors and omissions.  
8 For example, the editorial fails to mention that the farmers will be compensated for  
9 the diminution in the fair market value in their land, and that both the Hagar family  
10 and the Hobbs family negotiated and agreed to the amount of compensation. The  
11 editorial also fails to mention that the farmers will be paid for any crop damage  
12 caused by Big Rivers that occurs during construction, or at any time in the future.  
13 And the editorial suggests that there will be new transmission lines built from the  
14 Hobbs property to the Nucor site and from the Hobbs property to an existing  
15 substation. However, as explained in the application in this matter, these are not  
16 new transmission lines, but instead are new circuits being added on top of existing  
17 transmission lines.

18         The editorial alleges there was a threat of court action if the Hagar family did  
19 not sell Big Rivers the property needed for the substation and lines needed to supply  
20 power to Big Rivers' proposed Otter Creek substation. Big Rivers did not threaten  
21 court action. Big Rivers was asked if Big Rivers had eminent domain authority, and

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1 the Big Rivers' employee involved in negotiations correctly stated yes. Big Rivers  
2 believes the negotiations were professional by both the Big Rivers' employee and the  
3 Hagar family representatives. Big Rivers offered numerous offers and counter offers.  
4 Big Rivers worked with the Hagar family representatives on the substation location  
5 and line location and fair compensation for the property and line easements. The  
6 number of structures and guys were a consideration when final prices were agreed  
7 upon. Big Rivers believes both parties were satisfied with the final purchase price.

8       The editorial also mentions Big Rivers turning the line and substation over to  
9 Louisville Gas and Electric ("LG&E"). When Big Rivers negotiated with the Hagar  
10 family representatives, Big Rivers was not aware LG&E would want control of the  
11 new Redmon Road switching station. As soon as Big Rivers was aware that LG&E  
12 would require ownership of the station, Big Rivers made the Hagar family aware of  
13 the need. Big Rivers is not transferring ownership of the line to LG&E.

14       The editorial also mentions the Hobbs family, and accurately states the plans  
15 for the property acquired from the Hobbs. The editorial does not mention any  
16 concerns in the negotiation with the Hobbs family, and it is Big Rivers' belief there  
17 were no issues. Big Rivers believes the negotiation was professional and amicable,  
18 with a final purchase price that was satisfactory to both Big Rivers and the Hobbs  
19 family.

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1

2

3 **Witness)** Michael W. Chambliss

4

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1 **Item 3)**     *Refer to BREC's response to Staff's First Request, Item 6.b.,*  
2 *regarding the meetings with local public officials. Explain how the local*  
3 *officials reacted to the proposed transmission projects.*

4  
5 **Response)** In Big Rivers' and Meade County Rural Electric Cooperative  
6 Corporation's ("Meade County RECC") meetings with the public officials referred to  
7 in Big Rivers' and Meade County RECC's response to Item 6b of the Staff's First  
8 Request, no negative comments were made concerning the proposed transmission  
9 projects. The public officials were already well-informed about the project and  
10 appeared thankful to receive the supplemental transmission infrastructure  
11 data. They expressed appreciation for our attempts to use existing right-of-way  
12 routes in the majority of our transmission projects, plus the ongoing efforts of Big  
13 Rivers and Meade County RECC to meet the deadlines and energy requirements of  
14 the Nucor operation in Meade County, Kentucky.

15

16

17 **Witness)**     Michael W. Chambliss

18



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1    **Item 4)**     *Refer to BREC's response to Staff's First Request, Item 7. Provide*  
2    *when BREC will begin conducting geotechnical borings.*

3

4    **Response)** Big Rivers began geotechnical borings on November 6, 2019, at the  
5    proposed Otter Creek Substation site. Based on those boring results, no significant  
6    adjustment to the substation location will be needed.

7

8

9    **Witness:**    Michael W. Chambliss

10

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1 **Item 5)**      *State whether Nucor Corp. has provided any assurance to BREC*  
2 *regarding its financial capability to ensure the proposed plate mill will be*  
3 *constructed and operated as planned.*

4

5 **Response)** Big Rivers did not ask Nucor to provide assurances specifically related  
6 to its financial capability to construct and operate the proposed plate mill beyond  
7 ensuring that Nucor's credit rating exceeds the minimum ratings specified in  
8 Sections 2.12 and 3.04 of the retail electric service agreement that is the subject of  
9 PSC Case No. 2019-00365. However, Nucor is financially committed to the project,  
10 including guaranteeing the cost of the transmission system improvements if the  
11 facility is not constructed as planned. Also, once the contingencies specified in  
12 Section 12.01 of the retail agreement (namely, receiving the approval of the  
13 Commission and the United States Department of Agriculture's Rural Utilities  
14 Services ("RUS"),<sup>1</sup> Big Rivers completing the necessary transmission system  
15 improvements and securing transmission service, and Nucor obtaining the necessary  
16 permits to operate its facility) are satisfied, Nucor will be obligated to pay for at least  
17 the minimum power requirements in the retail agreement regardless of whether  
18 Nucor operates the facility as planned. In the event Nucor's credit rating drops below

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<sup>1</sup> Big Rivers received all necessary approvals from RUS on November 20, 2019.

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1 the minimum ratings specified in the retail agreement, Nucor is required to provide  
2 a bank letter of credit to cover the facilities cost and its monthly payment obligations.

3

4

5 **Witness)** Michael W. Chambliss

6