

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BIG RIVERS	)	
ELECTRIC CORPORATION FOR A	)	
CERTIFICATE OF PUBLIC CONVENIENCE	)	
AND NECESSITY AUTHORIZING	)	CASE NO.
CONSTRUCTION OF A NEW	)	2021-00314
HEADQUARTERS FACILITY AND AN ORDER	)	
AUTHORIZING BIG RIVERS TO SELL ITS	)	
EXISTING HEADQUARTERS FACILITY	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO BIG RIVERS ELECTRIC CORPORATION

Big Rivers Electric Corporation (BREC), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on October 22, 2021. The Commission directs BREC to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

BREC shall make timely amendment to any prior response if BREC obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which BREC fails or refuses to furnish all or part of the requested information, BREC shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, BREC shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, page 8, line 21 through page 9, line 22.
  - a. Explain why the timing of this Application was dependent on the response by the city of Henderson (Henderson) to BREC's offer to purchase Henderson's system.
  - b. Explain why Henderson's rejection of BREC's offer to purchase Henderson's system had any bearing on BREC's decision to consolidate transmission functions.

c. Explain why Henderson’s rejection of BREC’s offer to purchase Henderson’s system had any bearing on BREC’s decision to “likely” place those consolidated transmission functions in a new location.

d. Explain whether and if so how BREC changed the design for the new headquarters earlier this year after Henderson rejected BREC’s latest offer to purchase BREC’s system.

2. Refer to the Direct Testimony of Paul G. Smith (Smith Testimony), page 8, lines 15–22.

a. Explain whether there are any Henderson taxes or other specific city or county expenses avoided by moving to Owensboro.

b. Describe the occupational tax rate, if any, in Henderson.

3. Refer to the Smith Testimony, page 10, lines 6–16.

a. Explain the manner in which local banks and lenders have offered to finance the proposed headquarters and whether there were limits as to how much each institution was willing to participate.

b. Depending upon the interest rates, explain whether BREC would be willing to consider or has considered setting aside a certain portion of the total amount of the financing so local lenders could participate.

c. Explain whether BREC has any reason to believe that it will not be successful in its attempt to participate in the U.S. Treasury’s New Markets Tax Credit (NMTC) Program.

4. Refer to the Smith Testimony, page 11, lines 1–6. Explain whether the Community Development Entities (CDEs) are individuals, local government departments,

non-profit non-government organizations, or something else and the criteria that is used by CDEs to evaluate NMTC Program applications.

5. Refer to the Smith Testimony, page 13, lines 8–16. If BREC ultimately moves all its operations to Owensboro, explain how BREC will accomplish the move without disrupting ongoing operations and the estimated cost of physically moving BREC’s operations, including the Energy Control center without disrupting ongoing operations.

6. Refer to the Smith Testimony, page 16, lines 7–9.

a. Explain the potential power supply options that the move to Owensboro would afford BREC.

b. Explain the other potential strategic transaction opportunities that the move to Owensboro would afford BREC.

7. Refer to the Direct Testimony of Robert F. Toerne (Toerne Testimony), page 13, line 5 through page 14, line 13.

a. Identify the “other key support personnel” by department and job title that BREC anticipates relocating to the Energy Transmission & Substation (ET&S) facility.

b. Explain whether BREC intends to locate its Energy Control department, Engineering department, and transmission field maintenance personnel at the existing ET&S facility or the new Transmission Operations Center regardless of whether BREC constructs a new headquarters.

c. Explain what, if any, modifications to the current ET&S facility would be necessary for it to accommodate Energy Control, Engineering, and the other key

support personnel mentioned, and provide all estimates of the expected cost of such modifications.

d. Explain the status of BREC's current efforts to explore relocating the current ET&S facility to a new Transmission Operations Center, and explain why BREC is considering relocating the current ET&S facility, including why it is necessary and would not result in wasteful duplication.

e. Provide all estimates of the expected cost of a new Transmission Operations Center.

f. Explain how eliminating a floor on the new proposed headquarters by shifting personnel the ET&S facility is cost effective if BREC would need to construct or obtain a new Transmission Operations Center, and provide any cost benefit analysis performed to assess the options.

g. Explain why building a separate Transmission Operations Center is expected to avoid significant costs involved in duplicating the data and telecom fiber/microwave system that would otherwise be required at the proposed headquarters location in downtown Owensboro, and provided an itemized breakdown of those expected cost savings.

h. Given the relationship between the proposed new headquarters and the new Transmission Operations Center, explain why BREC did not request a CPCN for both simultaneously such that the related need and wasteful duplication could be addressed together.

8. Refer to the Toerne Testimony, Exhibit Toerne-1. Assuming the Commission granted the CPCN requested in this matter, identify those capital costs listed

in Exhibit Toerne-1 that BREC anticipates avoiding and those that BREC anticipates will need to be completed while the new headquarters is being constructed or before the current headquarters can be sold.

9. Refer to the Memorandum of Agreement between BREC and the city of Owensboro. Explain BREC's obligation to facilitate parking for employees of Texas Gas Transmission, LLC, including the number of employees at issue, and how BREC intends to fulfill those obligations.

10. State every reason provided by the CDEs BREC is working with to obtain financing why it is "significant" that the project be ready for construction by the end of the year.

11. Identify the electric reliability requirements regarding security in an energy control room.

12. Identify the number of personnel by department that occupy the existing headquarters and the number of personnel by department that BREC expects to occupy the new headquarters.

13. Identify the number of personnel by department that occupy the existing ET&S facility and the number of personnel by department that BREC expects to occupy any new Transmission Operations Center.

14. Provide any cost benefit analysis performed by or on BREC's behalf to assess constructing a new headquarters and remodeling the existing headquarters.

15. Provide all appraisals and others estimates of the value of the properties that make up BREC's current headquarters performed in the last five years.

16. Describe the market for office space in downtown Henderson.

17. State whether BREC anticipates being able to sell the properties that make up BREC's existing headquarters, and explain each basis for BREC's contention.

18. State the amount BREC anticipates receiving for the sale of each of the properties that make up BREC's existing headquarters, and explain each basis for BREC's contention.

19. If BREC is not able to sell the properties that make up its existing headquarters in a timely manner, explain what BREC anticipates doing with the properties.

20. State whether BREC has performed any analysis regarding how moving from Henderson to Owensboro will affect its ability to attract and retain personnel, and if so, provide that analysis.

21. Confidential: Refer to the Berry Testimony, page 14, lines 1–13





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cc: Parties of Record



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