COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION FOR APPROVAL TO TRANSFER FUNCTIONAL CONTROL OF ITS TRANSMISSION SYSTEM TO MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.	))))))	CASE NO. 2010-00043

SUPPLEMENTAL DATA REQUEST OF COMMISSION STAFF TO BIG RIVERS ELECTRIC CORPORATION

Big Rivers Electric Corporation ("Big Rivers"), pursuant to 807 KAR 5:001, is to file with the Commission the original and nine copies of the following information, with a copy to all parties of record. The information requested herein is due on or before April 30, 2010. Responses to requests for information shall be appropriately bound, tabbed and indexed. 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 preparer or 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.

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

Careful attention should 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.

1. Refer to the responses to Items 1, 2, and 4 of the First Data Request of Commission Staff ("Staff's First Request"). Provide updates, as applicable, and describe any changes from the initial responses. Consider this a continuing request; provide updates with descriptions of any changes or new developments, as they become known, for the remainder of this proceeding.

2. Refer to page 18 of 18 of Attachment 1 of the response to Item 2 of Staff's First Request.

a. Identify where in the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO") "Transmission Owners' Agreement" the transmission revenue distribution provisions are located.

b. This section of the attachment refers to "the regional and local zones' revenues" that the Midwest ISO will collect and distribute to transmission owners. Explain whether these constitute all types of transmission revenues that will potentially be distributed to Big Rivers. If there are other types of transmission revenues that might apply to Big Rivers, identify them and how they are to be distributed/allocated.

3. Refer to the responses to Item 3.a. of Staff's First Request and Item 2 of the First Data Request of Kentucky Industrial Utility Customers, Inc. ("KIUC") to the Midwest ISO ("KIUC MISO Request 1"). The response to part 3.a. of Staff's First Request states that a discount rate of 5.83 percent was used to determine the net present value of the cost decrease to serve the Big Rivers load over the five-year period from 2011 through 2015. The assumptions shown in the attachments to the response to KIUC MISO Request 1, Item 2, include a discount rate of 9.5 percent.

a. The response to part 3.a. of Staff's First Request refers to footnote 8 on page 4 of Mr. Luciani's testimony. The footnote on page 4 of the testimony is footnote 1, which refers to an exhibit to Mr. Crockett's testimony. Confirm whether the footnote reference should be to footnote 8 on page 25 of Mr. Luciani's testimony.

b. Explain the rationale for the 9.5-percent discount rate included in the Midwest ISO assumptions in the attachments to KIUC MISO Request 1, Item 2.

c. Are there any instances where discount rates other than 5.83 or 9.5 percent were used for purposes of this application? If yes, identify where in the application they were used, how they were calculated, and the rationale for their use.

4. Refer to the response to Item 8.c. of Staff's First Request. Identify the non-transmission projects that are contemplated through 2015 and the approximate amount, based on current conditions, which would be allocated to Big Rivers in each year from 2011 through 2015.

5. Refer to the responses to Items 18 and 21 of Staff's First Request, which address issues related to the Midwest ISO's proposal to allow Aggregators of Retail Customers ("ARC") to sell demand response directly into the Midwest ISO market.

a. The first and third paragraphs of the response to Item 18 include statements such as "The KPSC has the ability to decide when and if ARCs can sell demand response directly into Midwest ISO markets . . . ." and "The KPSC can decide on the appropriate value for the MFRR [Marginal Foregone Retail Rate]." Explain whether the Commission's ability to decide these matters comes from the general authority conferred on it by the provisions of Kentucky Revised Statutes ("KRS") Chapter 278 or if it comes from some other authority such as provisions in the Midwest ISO's tariff or specific orders of the Federal Energy Regulatory Commission ("FERC").

b. The second paragraph of the response to Item 21 states, among other things, that Big Rivers' customers will be able to participate in the ARC tariff unless expressly prohibited by the Commission. Explain whether the Commission's authority to prohibit such participation stems from its general authority under KRS Chapter 278 or from a different source of authority.

6. Refer to the response to Item 19 of Staff's First Request. Consider this a continuing request. Upon its issuance, provide the FERC order on the Midwest ISO's proposed ARC tariff.

7. Refer to the response to Item 26 of KIUC's First Data Request to Big Rivers and page 27 of Mr. Luciani's testimony. The last entry on the attachment, which contains Mr. Crockett's notes from a conference call with Dairyland Power regarding its integration process with the Midwest ISO, is "Total employees involved – 8 full time." In

the study referenced by Mr. Luciani, Western Farmers Electric estimated that interfacing with the SPP RTO would require four employees. Mr. Luciani included that number of employees in his analysis of Big Rivers' operations as a member of the Midwest ISO. Explain why four, rather than eight, employees are projected to be sufficient to perform the required tasks for Big Rivers. What causes Big Rivers to be more like Western Farmers Electric and less like Dairyland Power?

8. Refer to Big Rivers' response to Staff's First Request, Item 1, page 2. If no firm transmission capacity is available from Midwest ISO to accommodate Big Rivers' purchase of contingency reserves from a third party, explain how that capacity will be available to Big Rivers as a member of Midwest ISO.

9. Refer to Big Rivers' response to Staff's First Request, Item 2, page 2. Do the estimated costs in 2014 shown for Big Rivers under "Injection/Withdrawal" reflect the recent decision of First Energy to withdraw as a member of Midwest ISO? Explain the impact of First Energy's withdrawal on the estimated costs to Big Rivers in 2014 and in subsequent years.

10. Refer to Big Rivers' response to Staff's First Request, Item 18.

a. Does the term "LSE," as used in the response, refer only to Big Rivers, only to its three member distribution cooperatives, or to all of those entities?

b. Explain the statement, at page 3, lines 4-5, that, but for the demand reduction, "the LSE would have purchased the MW from the wholesale spot market." Also explain how this statement is true for Big Rivers.

c. For purposes of preparing an Integrated Resources Plan, is Big Rivers able to reduce its future need for generating capacity by the amount of demand reduction available for sale into the Midwest ISO market? If yes, explain how Big Rivers can be sure that the demand reduction will actually occur at the time that Big Rivers is approaching or experiencing a peak on its own system.

11. Refer to Big Rivers' response to Staff's First Request, Item 21. Since Big Rivers has no retail customers, and two of its three member distribution cooperatives distribute substantially less than 4 million MWh annually, provide citations to the specific provisions in FERC Order 719-A that authorize the retail aggregation of customers of the two member distribution cooperatives with sales of less than 4 million MWh annually.

12. Refer to Big Rivers' response to Staff's First Request, Item 2, page 2, lines 7-13, and Item 6, lines 11-13. On April 13, 2010, the Midwest ISO presented "Modeling Results of Midwest ISO Straw Proposal" to the Cost Allocation and Regional Planning group of the Organization of MISO States. Assume that the allocation methodology upon which those results were based is submitted to, and accepted by, FERC and that, after that approval, Big Rivers becomes a member of the Midwest ISO in the third quarter of 2010.

a. Provide a calculation of the costs that would be allocated to Big Rivers in years 2014 and 2024 under that proposed methodology. In providing the costs, present them as "Injection/Withdrawal Charges Applied to All Load in Big Rivers Pricing Zone" and as "Injection/Withdrawal Charges Applied to Non-GFA Load in Big Rivers Pricing Zone" as was done in Big Rivers' response to Staff's First Data Request, Item no. 2.

b. Provide a calculation of the costs that would be allocated to Big Rivers in years 2014 and 2024 under the current Midwest ISO cost allocation methodology.

13. Refer to Big Rivers' response to Staff's First Request, Item 8, lines 18-22. Would the obligation be limited to the one-year cost for the year of the exit, or would the obligation be the annual allocation until completion of cost recovery, per the cost allocation protocols, of the cost of all project(s) approved during the party's membership?

Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED: APR 19 2010

cc: Parties of Record

Keith L Beall
Esquire
P.O. Box 4202
Carmel, IN 46082-4202

Gregory A Troxell
Esquire
P.O. Box 4202
Carmel, IN 46082-4202

Douglas L Beresford
Hogan & Hartson, L.L.P.
555 Thirteenth Street, N.W.
Washington, DC 20004-1109

Albert Yockey
Vice President Government Relations
Big Rivers Electric Corporation
201 Third Street
Henderson, KY 42419-0024

David Brown
Stites & Harbison, PLLC
1800 Providian Center
400 West Market Street
Louisville, KY 40202

David G Crockett
Vice President - System Operations
Big Rivers Electric Corporation
201 Third Street
Henderson, KY 42419-0024

Mark David Goss
Frost, Brown, Todd, LLC
250 West Main Street
Suite 2700
Lexington, KY 40507

Honorable Michael L Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OH 45202

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