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**PUBLIC SERVICE
COMMISSION**

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

2010 INTEGRATED RESOURCE PLAN OF) CASE NO. 2010-00443
BIG RIVERS ELECTRIC CORPORATION)

ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Requests for Information to Big Rivers Electric Corporation [hereinafter referred to as "BREC"] to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the witness who will be prepared to answer questions concerning each request.
- (3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for BREC with an electronic version of these questions, upon request.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, 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.

(6) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

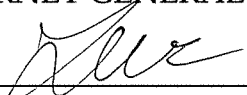
(10) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(11) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the

time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(12) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response.

Respectfully submitted,
JACK CONWAY
ATTORNEY GENERAL



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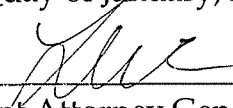
Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Hon. Tyson A. Kamuf
Sullivan, Mountjoy, Stainback & Miller, PSC
100 St. Ann Street
P.O. Box 727
Owensboro, KY 42302-0727

Hon. Michael L. Kurtz
Boehm, Kurtz & Lowry
36 E. 7th St.
Ste. 1510
Cincinnati, OH 45202

this 12th day of January, 2011



Assistant Attorney General

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1. The filing indicates BREC has available to it 1.444 GW generating capacity, with 385 MW of additional capacity available, 207 MW of which is owned by Henderson Municipal Power and Light ("HMPL"). State, if known, what plans, including the costs associated with same, HMPL has to comply with new EPA regulations, which include: the Clean Air Transport Rule (CAIR); National Ambient Air Quality Standards (NAAQS); Coal Combustion Residuals (CCR); HAPs MACT; and Water Quality 316 (a) and 316 (b) [collectively referred to hereinafter as "the EPA Regulations"].
 - a. Has HMPL communicated to BREC any information regarding impacts the EPA regulations will have on HMPL which it may have to pass on to BREC? If so, please provide any and all information relevant to this request.
2. In the event HMPL must comply with any additional EPA regulations not indicated in question number 1 above, please identify same as well as the company's plans to comply with same, including the costs associated therewith.
3. The filing indicates that of the 385 MW of additional capacity available to the company, 178 MW comes from SEPA which it derives from the Wolf Creek hydro plant. Since one of the impacts of the EPA regulations will be to place a greater demand on alternative sources of generation (including renewables such as hydro), will the company still be able to obtain the SEPA generation at current pricing?
4. The filing indicates that the Reid unit can co-fire with coal or gas, but that no gas line is in place, and the company has not secured the necessary permits to burn natural gas. Does the company believe it would be prudent to begin the planning and preparatory measures necessary to install a gas line to Reid and / or any of its other generating equipment that are capable of co-firing operations, or could be converted to co-firing operations without any such permits?
5. Regarding BREC's load forecast, state whether any scenarios were run in which one or both smelters left the Commonwealth. If so, please provide complete details.
6. Confirm that BREC's load forecast indicates its load will grow by 8 MW per year. If that is not the projected growth, please provide updated information related to same.

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7. The filing indicates that MISO will require BREC to maintain a planning reserve margin of 4.5%. Please confirm that this would result in a reduction of approximately 65 MW of generation available to BREC.
 - a. State how BREC plans to replace the generation that will have to be dedicated toward meeting the MISO planning reserve margin.
 - b. If the reduction is not 65 MW, please provide the accurate number as well as BREC's plans as requested in question a. above.
8. State whether the EPA regulations will have an impact on BREC's future planning process, and if so, provide details.
9. Were the EPA regulations taken into consideration in the instant filing? If so, provide full details. If not, why not? Please explain.
10. Does BREC anticipate making additional purchased power arrangements as a means of meeting compliance with the EPA regulations? If so, has the company performed any pricing analyses indicating how much more expensive purchased power will become as more of the EPA regulations become effective, as opposed to if the EPA regulations were not in place? If yes, please provide details.
 - a. In your response, please also include any estimates the company may have regarding the difference in costs BREC will incur as more of the EPA regulations come into effect in future years for additional power purchases the company may make in order to achieve compliance with the EPA regulations, versus the costs for self-generation the company would have incurred if the EPA regulations do not go into effect.
 - b. If BREC did not perform any pricing analyses, please explain why not.
11. In the event BREC purchases power, does its MISO membership require it to first seek to obtain it from the MISO market?
12. In the event BREC is required to increase its purchases of power as a result of attempting to achieve compliance with the EPA regulations, does it have adequate transmission and / or interconnections in place?

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13. If the answer to question 12 above is in the negative, please explain in detail what the company intends to do to address any transmission and/or interconnection issues.
14. Has BREC conducted, or is it aware of any studies indicating the costs BREC would incur in complying with carbon removal and sequestration requirements? If so, please provide copies of such studies or other relevant information.
15. Will BREC incur any reliability concerns as a result of achieving or attempting to achieve compliance with the EPA regulations?
16. Does BREC know whether the utilities surrounding its service territory will also be pursuing additional purchased power acquisitions as a result of attempting to achieve compliance with the EPA regulations? If so: (a) have any studies been conducted indicating how much additional power those other utilities will require?; and (b) provide any information thereto relevant.
17. In the event BREC decides to switch fuel on one or more of its generating units, could such an event trigger a "New Source" review by the EPA? If so, would such a review increase costs for BREC's ratepayers? If so, please explain in detail.
18. Regarding BREC's planned transmission system additions, as set forth in Sec. 6-4 of the filing, state whether MISO will or could make any contributions to the costs of these projects. If the company does not yet have sufficient information to reply to this question, will the company make all reasonable efforts to acquire MISO financial contributions to as many of the transmission projects outlined in the filing as possible?
19. Regarding BREC's planned transmission system additions, will the time frames for any of these projects need to be accelerated in the event BREC anticipates the need for additional purchased power transactions due to the impact of the EPA regulations? If so, please explain in detail.
20. Regarding Section 7-8 of the filing, the company states 109,000 CFLs have been distributed "at no cost to members." Does this statement mean that BREC's three member co-ops did not have to pay any price for the bulbs, or that the co-ops' residential customers did not have to pay for bulbs when each individual residential customer received bulbs?

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- a. How much of the cost for the 109,000 CFL bulbs will be passed on to the ratepayers in BREC's next rate case? Please explain your answer both in dollar figure and a percentage, if applicable.
 - b. If the costs will not be passed along to its members, how will the costs be paid?
21. Regarding Section 7-16 of the filing, the company states it provided energy saving analyses "by combining efforts with the member systems, the DOE and U of L's Kentucky Pollution Prevention Center."
 - a. Please explain in detail the nature of this collaborative effort, and the roles each entity played.
 - b. Does BREC anticipate working with the University of Louisville's Kentucky Pollution Prevention Center in any future projects? If so, please provide as many details as possible.
 - c. Has BREC considered working with the Kentucky School Board in any future DSM programs?
22. The filing indicates BREC's intention to seek several DSM programs. If the member co-ops implement these programs, will they be the first DSM programs in the company's service territory? If BREC or its member co-ops have ever previously proposed any DSM programs, please provide the relevant case number(s).
23. Is it the company's intent, and that of its member co-ops, to initiate a DSM collaborative?
24. Please state whether the distribution cooperatives which BREC serves have **all** agreed with the terms of the DSM programs in this filing. If they have not, and for each one that has not, please provide any and all details regarding same including any refusals, concerns, alternatives offered, or demands requested of BREC in exchange for offering the program(s).
25. Reference the company's response to the prior question. Please provide any and all documentation in the company's possession regarding same.
26. Notwithstanding the language in KRS 278.285, given the fact that BREC and its ratepayers are equity owners of the company and not shareholders as with investor owned utility companies, does BREC plan on seeking recovery of lost sales from its distribution member cooperatives?

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27. If the response to the prior question is in the affirmative, please provide any and all documentation regarding same.
28. Notwithstanding the language in KRS 278.285, given the fact that BREC's ratepayers are equity owners of the company and not shareholders as with investor owned utility companies, does BREC plan on seeking recovery of any financial incentive for implementing the program(s)?
29. To the best of BREC's knowledge, will any of its member cooperatives seek recovery for any lost sales? If so, please provide details of same along with any documentation in its possession.
30. To the best of BREC's knowledge, will any of its member cooperatives seek recovery of any financial incentives for implementing any program(s)? If so, please provide details of same along with any documentation in its possession.
31. If any of the responses to questions 24 through 28, above, were in the negative, please explain why.
32. With regard to the GDS Associates study, Fig. 1.1 on p. 8, for each of the four (4) types of DSM potential savings identified therein, provide all estimates of costs BREC's ratepayers would have to bear, including but not limited to net revenues lost due to reduced sales, and financial reward incentives. Please provide a break-down of these costs by ratepayer class.
33. With regard to the GDS Associates study, Table. 1.1 on p. 9, please confirm that: (a) for the residential programs, the study estimates that a weatherization program would provide the greatest cumulative annual MWh savings from 2011 -- 2020; and (b) for the C & I programs, the study estimates that a prescriptive lighting program would provide the greatest annual MWh savings over the same time frame.
34. With regard to a residential weatherization program, please state whether the company intends to use the program for existing structures, new construction, or both.
35. Confirm that the GDS Associates study, p. 66, recommends that BREC not pursue a formal demand response program at this time because it would not be cost-effective.