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PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION, INC. FOR AN ADJUSTMENT OF RATES	)))	Case No. 2012-00535

ATTORNEY GENERAL'S SUPPLEMENTAL DATA REQUESTS

PUBLIC REDACTED VERSION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Preliminary Initial Requests for Information to Big Rivers Electric Corporation [hereinafter referred to as "Big Rivers" or "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 Big Rivers 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 you believe any request appears confusing, please request clarification directly from Counsel for 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) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and

shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computerreadable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) 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.

(12) 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.

(13) 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, in compliance with Kentucky Public Service Commission Regulations.

(14) The Attorney General reserves the right to pose additional preliminary data requests on or before the due date specified in the Commission's procedural schedule.

Respectfully submitted,
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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:

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this 14th day of March, 2013

Assistant Attorney General

1. Referencing Big Rivers' response to KIUC 1-47: Has Big Rivers included all additional costs related to redirecting Wilson fuel related contracts to alternative generating stations in its forecasted revenue requirements? If not, please provide these estimated costs.
    a. If these costs are not part of the current forecast, would Big Rivers be allowed to recover such costs in its Fuel Adjustment Clause? How much would the FAC have to be on average just to recover these costs? How would such costs be reflected in market offers for energy from Big Rivers "alternative generating stations?" Explain all answers in detail.

2. Referencing Big Rivers' response to PSC 2-21(a): Provide all correspondence and results provided by MISO as a response to Big Rivers December 2012 Attachment Y-2 requests for analysis of idling Coleman and Wilson.

3. Referencing Big Rivers' response to PSC 2-22, regarding OATT operating and maintenance costs previously paid by Century, it is not clear how the following statement: "If Century enters into a bilateral contract with a third party and the bilateral contract does not have a designated generator, then only one-half of the cost paid by Century will be paid to Big Rivers," corresponds to the statement made later in that same response that "Century will be responsible for paying all normal transmission service costs under the MISO Tariff."
    a. Please specifically identify the cost to which the first statement is referring . Are these transmission costs?
    b. Please provide a detailed cost breakdown of the costs currently recovered from Century (transmission expenses, transmission depreciation, etc.) and costs that would be recovered from Century if Century should enter into a bilateral contract with and without designated generation.

4. Referencing Big Rivers' response to AG 1-8, where it states "Big Rivers also continues to negotiate with Century Aluminum to allow it to obtain its power from the wholesale market,":
    a. Please state whether this is the only scenario still viable in these negotiations.

   b. Describe any other scenarios being discussed or pursued under which Big Rivers and/or Kenergy would continue to provide power to Century.
   c. Describe any other scenarios being pursued or discussed wherein Century would obtain power other than directly through Big Rivers / Kenergy.

5. Referencing Big Rivers' response to AG 1-16(b):
   a. Acknowledge that the loss of the Alcan load will occur during the fully forecasted future test year the company chose for the instant case.
   b. Acknowledge that because no data regarding the loss of the Alcan load was provided either in the application, or in data responses, that seven (7) months of the test year is affected.
   c. Acknowledge that the seven (7) month period referenced above contains inaccurate and/or insufficient data.
   d. Acknowledge that the lack of this information prevents the Commission from making an informed determination as to the reasonableness of the application.
   e. Provide copies of any and all analyses, modeling, or studies the company performed prior to the filing of this case regarding the then-potential loss of the Alcan load, regardless of whether such loss would have occurred prior to or after the loss of the Century load.

6. Referencing Big Rivers' response to AG 1-23 where it states "Smelter parent guarantees survive": Please summarize Big Rivers' understanding of the financial impact of these guarantees and the circumstances under which Big Rivers would benefit financially from any such guarantees.

7. Referencing Big Rivers' response to AG 1-25: Describe the resources and materials used by Big Rivers to ensure that its Enterprise Risk Management policies and programs reference and include "best practices" in enterprise risk management, including external review of and participation in enterprise risk management.

8. Referencing Big Rivers' confidential response to AG 1-25(g):

a. At page 1: [BEGIN CONFIDENTIAL] "[redacted] [END CONFIDENTIAL].
    i. Please provide any and all presentation materials, and any and all other documents provided to the Board.
    ii. Please state actions taken by the Board regarding the subject of [BEGIN CONFIDENTIAL] [redacted] [END CONFIDENTIAL]
b. At page 4, [BEGIN CONFIDENTIAL] [redacted] [END CONFIDENTIAL] were discussed. Please provide the [BEGIN CONFIDENTIAL[redacted], [END CONFIDENTIAL] together with any and all materials and documents associated therewith.
c. At page 22, [BEGIN CONFIDENTIAL] "[redacted][END CONFIDENTIAL]:
    i. Please state precisely where this estimation can be found in the rate case filing workpapers;
    ii. Please provide documents which show the[BEGIN CONFIDENTIAL] [redacted] [END CONFIDENTIAL] estimation of these costs; and,
    iii. Please provide any and all documents on this subject which were provided to the Board.
d. At pages 3 and 7, accuracy of financial forecasting, [BEGIN CONFIDENTIAL] [redacted] [END CONFIDENTIAL] . Please provide any and all documents:
    i. [BEGIN CONFIDENTIAL] [redacted] [END CONFIDENTIAL];
    ii. supporting [BEGIN CONFIDENTIAL] [redacted][END CONFIDENTIAL];
    iii. showing [BEGIN CONFIDENTIAL] [redacted] [END CONFIDENTIAL] for FY 2012 to present;
    iv. associated with the "Financial Reports" items in the Minutes for April – May, and July – December 2012 meetings.

e. At page 1: [BEGIN CONFIDENTIAL] "[redacted] [END CONFIDENTIAL]
   i. Please provide any and all presentation materials and any and all documents provided to the Board in this regard.
   ii. Please state actions taken by the Board regarding the subject of [BEGIN CONFIDENTIAL] [redacted] [END CONFIDENTIAL], and provide any and all documents associated with such action.

f. At page 23, looking [BEGIN CONFIDENTIAL] [redacted] **[END CONFIDENTIAL]**

9. Referencing Big Rivers' response to AG 1-27, where it states the need for securing "a three-year credit facility loan through CFC for bridge financing ... until long term financing with RUS is in place with a Rural Utilities Service ("RUS") Guaranteed Federal Financing Bank ("FFB") Loan":
   a. Describe the circumstances which cause the "gap" to occur which must be "bridged";
   b. Does the three year term coincide with the earliest point Big Rivers anticipates RUS FFB financing will be available to it?;
   c. What are the circumstances which impair or obviate "immediate" RUS financing from FFB?; and,
   d. What is the earliest point Big Rivers believes FFB financing could reasonably be available to it?

10. Referencing Big Rivers' response to AG 1-39 related to Management Business Plans and budgeted CAPEX for 2013 and 2014, address the following:

a. Explain why the CAPEX budgets at AG 1-39 for years 2013 and 2014 are substantially less than the CAPEX amounts for 2013 and 2014 included in the Company's filing at Tab 25 Attachment (Berry and Crockett).
b. Provide an explanation and reconciliation by project between the CAPEX amounts at AG 1-39 and the CAPEX amounts at Tab 25 for 2013 and 2014 (including a reconciliation between different months/time periods), and identify all 2012 CAPEX amounts (and all other prior year CAPEX amounts for years before 2012) from AG 1-39 that were deferred to 2013 and 2014 at Tab 25 (along with all other necessary reconciliation and explanation).
c. Reconcile amounts in (a) and (b) above to CAPEX projects and related plant costs (by account number) that are included in the forecasted test period ending August 31, 2014 and explain all differences.
d. If there are any differences, reconcile amounts in (c) above, to construction projects for the forecasted test period ending August 31, 2014 provided in the Confidential response to PSC 1-17 (pages 39 to 51).

11. Referencing the response to the immediately preceding data request (AG 2-10), and the response to AG 1-39, CAPEX amounts for 2013/2014 included at Tab 25 Attachment of the Company's filing, and construction projects for August 31, 2014 provided in response to PSC 1-17 (pages 39 to 51), address the following:
    a. Explain and show how depreciation expense for the forecasted test period ending August 31, 2014 was calculated, by providing an Excel spreadsheet showing plant amount <u>by account number</u> (and description) multiplied by the related depreciation rate (and reconcile the plant amounts used in the depreciation expense calculation to plant amounts provided at AG 1-39, CAPEX amounts for 2013/2014 included at Tab 25 of the Company's filing, and to construction projects for August 31, 2014 provided in response to PSC 1-17 (pages 39 to 51).
    b. Reconcile, explain, and provide calculations showing the amount of accumulated depreciation included in the forecasted test period ending August 31, 2014 as reconciled to the related depreciation expense and plant amounts addressed in (a) above. Explain if accumulated depreciation for the test period ending August 31, 2014 includes a full year of the related depreciation expense for the period, or explain and show the method used by BREC.
    c. Reconcile, explain, and provide calculations showing the amount of accumulated deferred income tax included in the forecasted test period

ending August 31, 2014 as reconciled to the related depreciation expense and plant amounts addressed in (a) and (b) above.

12. Reference Big Rivers response to PSC 2-5. Does Big Rivers response reflect and take into account the additional changes to its application filed in Case No. 2012-00492, which were made via the testimony of Billie Richert during the hearing on February 28, 2013?
    a. If not, please provide an amended answer in light of the above-referenced testimony.
    b. Assuming that all capital expenditures since August 2012 reduce the $60,000,000 CoBank secured loan, please confirm that the balance after February 28, 2013, is $38,328,265.
    c. If the PSC approves Big Rivers application in Case No. 2012-00492, as amended by Billie Richert's testimony on February 28, 2013, please confirm that Big Rivers will have approximately $13.3 million remaining in funds designated for ordinary capital expenditures.
    d. If the PSC approves Big Rivers application in Case No. 2012-00492, as amended by Billie Richert's testimony on February 28, 2013, please confirm that the total funding for ordinary capital expenditures for 2012, 2013 and 2014 will not exceed $35 million.
    e. If Big Rivers confirms the sums referenced in (c) and (d), please explain how Big Rivers will cut the estimated $60 million in ordinary capital expenditures to accommodate the reduced level of funding?

13. Referencing Big Rivers' response to AG 1-40, please provide the following reports for FY 2011 through 2013 YTD:
    a. Corporate Scorecard and dashboard;
    b. Professional Services Report;
    c. Financial Report; and,
    d. Internal Risk Management Committee Update.

14. Referencing Big Rivers' response to AG 1-46 related to RUS Forms: Explain if BREC is required to provide RUS with CAPEX budgets and provide these related forms/reports provided to RUS showing CAPEX budgets for 2012, 2013, 2014, and 2015.

15. Please reference Big Rivers' response to AG 1-48 which refers to PSC 2-13 and 2-36 regarding issues and amounts that could change BREC's revenue requirements. BREC has provided two potential adjustments to its revenue requirements, in particular: (i) the response to PSC 2-13 states that amending its application in Case No. 2012-00492 (if approved by the Commission) would lower BREC's test period revenue requirement by $4.4 million related to interest expense on LT Debt for paying off $58.8 m pollution control bonds (as also addressed in AG 1-63 and 64); and (ii) BRECs' response to PSC 2-36 cites other miscellaneous corrections (with revised Exhibits) that could reduce the revenue requirement another $1,507,989.
    a. Explain when BREC would update its filing in the rate case to reflect the impact of all changes to the revenue requirement.

16. Referencing Big Rivers' response to AG 1-50 regarding cost cutting measures: BREC states that its new self-insured health insurance plan effective January 1, 2012 is estimated to produce savings of $3.1 million in 2012, cost savings of $266,000 in 2013 related to changes in plan design, cost savings in 2012 of $1.9 million and 2013 of $.6 million related to reducing the cost of post-retirement medical coverage, and 2013 cost savings of $.2 million related to moving to a new provider of LT disability insurance. Address the following:
    a. For each of the previously identified cost savings, show the previous expense (by account) before changes for each year, the new expense (by account) after the change for each year, and reconcile these to the cost savings (by account) for each year.
    b. Explain, show, and cite to the field and account number in the financial model where such costs and savings are included in the revenue requirement for the appropriate year.

17. Referencing Big Rivers' response to AG 1-51 regarding the impact of Century smelter, address the following:
    a. If BREC can provide a "forecast" of the impact of removing Century, explain why BREC cannot use this same approach to remove an amount that is closer to "actual" amounts for Century for the historical periods 2011 and 2012;
    b. Provide the "actual" impact of removing Century from the 2011 and 2012 calendar years (and provide supporting calculations and assumptions);
    c. If removing the actual impact of Century cannot be determined for 2011 and 2012, then provide the "forecasted" impact of removing Century from calendar year 2011 and 2012 operations and provide all supporting

calculations, and explain the reasons for changes in forecasted assumptions and calculations when removing Century from 2011 and 2012, versus the forecasted assumptions and calculations used to remove the impact of Century in BREC's rate filing.

18. Referencing the credit ratings attachments to Big Rivers' response to AG 1-54, please provide copies of:
    a. Standard and Poor's "Applying Key Ratings Factors to U.S. Cooperative Utilities" (page 6 of Attachment);
    b. Fitch Ratings' "U.S. Public Power Rating Criteria" (page 11 of Attachment);
    c. Fitch Ratings' "Revenue Supported Rating Criteria" (page 11 of Attachment); and,
    d. Moody's "U.S. Electric Generation & Transmission Cooperatives Rating Methodology" (page 21 of Attachment).

19. Referencing Big Rivers' response to AG 1-58: State the basis for the belief "the power market will steadily increase" and that it will "reasonably rebound."

20. Referencing Big Rivers' response to AG 1-67(a), provide a copy of the cited "generally accepted depreciation study procedures" used by the utility industry and used by Burns & McDonnell in their depreciation study.

21. Referencing Big Rivers' response to AG 1-68: Please provide specific references to documents in Case No. 2011-00036 which identify these "process issues" and their resolution.

22. Referencing Big Rivers' response to AG 1-72: The response to AG 1-72 and the related attachment appears to show $198,000 of legal rate case costs ($174,000 for Sullivan, Mountjoy and $24,000 for Orrick, Herrington) have been included in the forecasted test period August 31, 2014, and the response to AG 1-73 shows a different amount of legal rate case costs of $975,700 ($454,620 for Sullivan, Mountjoy and $521,080 for Dinsmore & Shohl) included in total rate case costs of $1,585,977 (which appears to agree to the response to PSC 1-54). And the 36-month total of rate case expense of $1,585,977 is addressed at Ms. Speed's testimony at Tab 68, page 19. Address the following:

a. Please reconcile the response to AG 1-72 legal expense of $198,000 versus AG1-73 and PSC1-54 legal expense of $975,700 (as well as reconciling the different amounts shown for attorneys Sullivan, Mountjoy), and identify which amount is included in the forecasted test period August 31, 2014 as rate case expense (or explain and identify the portion of these legal expenses that are not included in rate case expense, but are included in the forecasted test period as other professional fees that are not amortized).
b. Explain if these amounts above represent the 3-year amortized portion, or the total amount before amortization over 3 years.
c. Explain how "rate case legal fees" versus "other legal fees" are identified and reflected in the forecasted test period and provide supporting documentation.
d. In regards to (a) above, Ms. Speed's testimony at Tab 68, page 19, line 10 identifies total rate case costs of $1,585,980 (to be amortized over 36 months), although the response to PSC 1-54 and Ms. Speed's testimony is susceptible to the interpretation that the entire amount of $1,585,980 is included in the forecasted test period August 31, 2014 (instead of just one-third of the 36 month amortization). Please clarify and provide the total and amortized portion of costs included in the forecasted test period, for all legal fees and other professional costs.
e. AG 1-72(a) requested an explanation of the services for each attorney which was not provided with the response (although BREC objected to providing copies of legal invoices at AG 1-72(b), it does not appear to have objected to explaining the services provided by attorneys). Regarding forecasted test period legal fees of $198,000 at AG 1-72 and $975,700 at AG 1-73 and PSC 1-54, explain the purpose of these legal costs and provide supporting documentation. For example, provide: (i) the amount of these legal fees related to litigating the rate case; (ii) legal costs for other issues related to the rate case but not for litigating the rate case; (iii) legal fees related to other Kentucky regulatory issues and not this rate case (identify by case number); legal costs related to the status of the smelters; and (v) other legal costs for corporate matters unrelated to the rate case.

23. Referencing Big Rivers' response to AG 1-73 (d): Please clarify if rate case expense or any expense is included in the forecasted test period August 31, 2014 related to BREC's prior rate case Case No. 2011-00036, and provide these amounts by consultant and show the related amortization of these costs by account number.

24. Referencing Big Rivers' response to AG 1-107 (e): Please provide the calculated **net** savings for idling the Wilson Station for the 2014-2016 timeframe and all workpapers and spreadsheets associated with this calculation.
    a. This calculation should include an itemization of the fixed costs saved, the variable costs saved, the additional costs due to running more expensive units to replace Wilson generation, the layup costs incurred and all other inputs and analysis used to derive these net savings.
    b. Does this calculation include savings from depreciation or interest expenses? If yes, identify such with specificity.

25. Referencing Big Rivers' response to AG 1-113 regarding the efforts to idle the Wilson Station:
    a. Is it Big Rivers' position that this layup process will preserve the plant and save its useful life for the future?
    b. Is it Big Rivers' position that this layup will extend the plant such that the 33.5 years of useful life will be "suspended" until operation is once again commenced? If not, why not?
    c. Would Big Rivers agree that depreciation expenses related to the 33.5 years of useful life should also be suspended while the plant is idled? If not, why not?

26. Referencing Big Rivers' response to AG 1-132, please provide a detailed analysis which shows how Big Rivers determined the expenses recorded in the FERC accounts in question are "predominately demand related" and not related to variable use of the facilities. Response should include a detailed discussion of expenses in each account. For example, why are steam expenses (account 502) not related to production of steam (variable use related) and instead treated as fixed or demand related expenses?
    a. Provide references related to FERC rulings regarding the accounts in question.

27. Referencing Big Rivers' response to AG 1-180: Please explain why Big Rivers does not know the coincident demand for Kenergy, Jackson Purchase, Meade County load and each smelter and why Big Rivers as a transmission owner in

MISO is not otherwise able to provide this information or data . To the extent that Big Rivers does have this information, please provide it for each month since Big Rivers has been taking service under the MISO OATT.

28. Referencing Big Rivers Response to AG 1-230 (a), please respond to the following questions:
    a. Is it Big Rivers' position that Kenergy Corp, Jackson Purchase Energy Corporation, and Meade County RECC would not be allowed to purchase transmission service under the MISO tariff? If the answer is yes, please describe and reference specific sections of the MISO OATT that would prohibit such a transaction.
    b. It appears that MISO has stated that the only MISO requirement for Kenergy Corp, Jackson Purchase Energy Corporation, and Meade County RECC to purchase MISO NITS under the MISO OATT would be to change reservation 76856899 to normal network contract service and this could be done with a mere 30-days' notice (see response to KIUC 1-5 p. 7). Please explain why Big Rivers responded to AG 1-230 (a) that this is not permissible under the MISO tariff, and yet it appears MISO has stated that it would be relatively simple for these entities to obtain NITS under the MISO OATT.
        i. Referencing MISO's opinion that reservation 76856889 can be easily updated to normal network contract service: Provide an update of Wolfram Exhibit 3 that removes all costs that would be recovered under the Big Rivers MISO Attachment O spreadsheet if reservation 76856899 were converted to normal network contract service as contemplated by MISO.
        ii. Indicate where each cost under the current Wolfram Exhibit 3 would be recovered in the Big Rivers MISO Attachment O spreadsheet assuming reservation 76856899 was converted to "normal network contract service."
    c. Given that Big Rivers has said in its response to AG 1-224 that the smelter would be allowed to purchase firm transmission service from MISO, please explain why Kenergy Corp, Jackson Purchase Energy Corporation and Meade County RECC would not be allowed to purchase firm

transmission from MISO regardless of power supply. Explanation should describe specific sections of the MISO OATT.

d. Please explain why Big Rivers could not simply charge the monthly Network service charge listed in the Attachment O spreadsheet to Kenergy Corp, Jackson Purchase Energy Corporation, and Meade County RECC (for example $1.424/kW/Mo as shown in the 2011 spreadsheet line 17 page 1 provided in response to AG 1-181) and fully recover Big Rivers' cost related to transmission service to these entities. Explanation should include a quantitative value and fully reference the Attachment O spreadsheets.

29. Referencing Big Rivers' response to AG 1-230 (e), please respond to the following questions:
    a. Provide all workpapers, input and calculations used in arriving at the 12 coincident system peak values used to develop "divisors" in the spreadsheets provided in response to AG 1-181 (for example those values listed as lines 8 through 14 on page 1 of the 2011 Attachment O spreadsheet).
    b. For each of these values provide the 12 coincident peak allocation among Kenergy Corp, Jackson Purchase Energy Corporation and Meade County RECC.
    c. For each of these values provide the 12 coincident peak allocation among the "Rurals", "Large Industrials" and "Smelter" customers.

30. Referencing Big Rivers' response to AG 1-236: Please explain in complete detail why Big Rivers did not ask ACES to perform a sensitivity run with "Green 1 and Green 2 idled and Century not operating."

31. Referencing Big Rivers' response to AG 1-250 regarding the 2011 audited financial statements, page 4 shows that income for the defined benefit plan has decreased from $2.6 m in 2008 to ($2.4 m):
    a. Explain why income on the defined benefit plan has declined over this period and provide all related supporting documentation.

b. Explain if BREC has had to increase funding for the defined benefit plan and explain this impact on funding and cash flow for 2011, 2012 and 2013 (although it appears that the defined benefit plans were closed to new salaried entrants effective January 1, 2008 and to new bargaining employees effective November 1, 2008, with a defined contribution plan established for new entrants).
c. Page 24 of the audited financials states that BREC's expense under the defined contribution plan for 2011 and 2010 was $4.5 m and $4.4 m, respectively, and 2012 expected contribution to pension plan is $.1 million. Identify the amount of pension expense included in the rate case forecasted test period (by account) and compare to these amounts above, and explain the reasons for all differences.

32. Referencing Big Rivers' responses to KIUC 1-8, page 12, which is an email dated November 13, 2012 that includes the statement "Mark Hite had a few comments for this presentation," and AG 1-134 which states Mark Hite retired July 14, 2012, please explain:
    a. Why Mark Hite would be commenting on presentations to the Board of Directors following his retirement;
    b. What are Mark Hite's ongoing tasks and responsibilities at Big Rivers; and,
    c. On what basis is Mark Hite working for Big Rivers, and for what compensation?

33. Referring to page 8 of Big Rivers' response to PSC 2-18: **[BEGIN CONFIDENTIAL]**
[redacted]
c. [redacted] **[END CONFIDENTIAL]**

34. Regarding the MISO Attachment O spreadsheets provided in response to AG 1-181, please provide the following:
    a. All Big Rivers Attachment O spreadsheets subsequent to the 2011 spreadsheet as they become available.

35. If Big Rivers is able to sell any one or more generation facilities, would there be stranded costs for those facilities even after the sale? If so, how would Big Rivers recover those costs?

36. Does Big Rivers intend to offer an incentive pay plan during the future test year? If so, provide complete details, and explain why the ratepayers should finance such a pay plan given the "precarious" financial position of the company, as Mr. Bailey testified.

37. Reference Big Rivers' responses to AG 1-213, AG 1-214, AG 1-215; KIUC 1-25, KIUC 1-26; and Alcan 1-1. Please confirm that Big Rivers submitted to RUS a "Corrective Plan to Achieve Two Credit Ratings of Investment Grade" on or about March 7, 2013.
    a. Please confirm that this Corrective Plan is responsive to the requests for information referenced above.
    b. Please supply a copy of this Corrective Plan, together with any confidential version thereof.

38. Reference Big Rivers' responses to PSC 2-6 and 2-15. Do Big Rivers' responses reflect and take into account the additional changes to its application in Case No. 2012-00492, which were made via the testimony of Billie Richert during the hearing on February 28, 2013?
    a. If not, please provide amended answers in light of the above-referenced testimony.
    b. What anticipated maintenance may be deferred as a result of this reduced level of funding for ordinary capital expenditures?

39. Reference Big Rivers' response to PSC 2-11. Provide the audited statement of operations (income statement) when it becomes available.

40. Reference Big Rivers' response to KIUC 1-63. Please provide a final version of the KPMG memo referenced during the February 28, 2013 hearing in Case No. 2012-00492.

41. Reference Big Rivers' response to PSC 2-13. Does Big Rivers response reflect and take into account the additional changes to its application in Case No. 2012-00492, which were made via the testimony of Billie Richert during the hearing on February 28, 2013? If not, please provide an amended answer in light of the above-referenced testimony.

42. Reference Big Rivers' response to PSC 2-18. Regarding the negotiations detailed in its response, would Big Rivers characterize itself as competitively advantaged or disadvantaged in these negotiations with the counterparties referenced? Please explain in detail.

43. Referencing Big Rivers' response to AG 1-166, which requested all correspondence, emails, etc. between Big Rivers and the smelters regarding provision of draft annual capital and operating budgets under Sections 3.4 (a) and 3.4 (e) of the Coordination Agreement:
    a. It appears no correspondence is provided beyond the brief cover letters that accompany each budget. Please provide all correspondence, emails, etc. between Big Rivers and the smelters, or their respective representatives, during the period between provision of the draft and final annual budgets.
    b. Please provide a communications log of all communications between Big Rivers and the smelters or their respective representatives during the periods between the provision of the draft budget, and the final budget to the smelters.

44. Referencing Big Rivers' response to AG 1-166, comparing the "Budget Assumptions" for the draft and final budgets provided to the smelters for fiscal year 2013 provide documents which show the basis for:
    [redacted] [BEGIN CONFIDENTIAL] [redacted]

[redacted]

m. [redacted] **[END CONFIDENTIAL]**.

45. Referencing Big Rivers' response to AG 1-166, comparing the "Budget Assumptions" for the draft and final budgets provided to the smelters for fiscal year 2012 provide documents which show the basis for:

[redacted] **[BEGIN CONFIDENTIAL]** [redacted]

[redacted]

i. [redacted]. [END CONFIDENTIAL]

46. Referencing Big Rivers' Board of Director Minutes provided in response to AG 1-38 (page 855): [BEGIN CONFIDENTIAL] [redacted]. [END CONFIDENTIAL]

47. Provide all Board of Director Minutes, for both regular sessions and Executive Sessions, regardless of the nature of the meeting, for January and February 2013.

48. Referencing Big Rivers' Board of Direct Minutes at AG 1-38 (page 869): [BEGIN CONFIDENTIAL] [redacted]. [END CONFIDENTIAL]

49. Referencing the "Executive Session Minutes" provided in response to AG 1-38, please explain how many of the minutes consist of approving the prior session's minutes but there are no prior session minutes provided. See, e.g., pages 4-11.
    a. Provide all Executive Session Minutes from January 1, 2010 to present.

50. Referencing Big Rivers' Board of Direct Minutes provided in response to AG 1-38:
    a. At Page 3: [BEGIN CONFIDENTIAL] [redacted]."; [END CONFIDENTIAL]

b. At page 400: **[BEGIN CONFIDENTIAL]** [redacted]. **[END CONFIDENTIAL]**
c. At page 400: **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**
d. At page 417: **[BEGIN CONFIDENTIAL]** [redacted]. **[END CONFIDENTIAL]**
e. At page 444: **[BEGIN CONFIDENTIAL]** [redacted]" **[END CONFIDENTIAL]**
f. At page 483: **[BEGIN CONFIDENTIAL]** [redacted]." **[END CONFIDENTIAL]**
g. At page 504: **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**
h. At page 532: **[BEGIN CONFIDENTIAL]** [redacted]." **[END CONFIDENTIAL]**
i. At page 532: **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**
j. At page 838: **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**
k. At page 864: **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**

51. Referencing AG1-17 related to Financial Model "sensitivity" runs performed by BREC since August 2012, address the following:
   a. Explain if BREC has run a Financial Model or sensitivity run with actual 2012 calendar year amounts in the calculation of the revenue

requirement and provide this sensitivity run with all related documentation, adjustments, and assumptions.

b. If BREC has not run the sensitivity analysis in (a), please provide this sensitivity run.

c. Regarding the sensitivity runs in (a) and (b) above, provide a sensitivity run with all adjustments used for the forecasted test period in this filing (such as those shown at Tab 50 Attachment (page 7 of 7) and Mr. Wolfram's testimony (Exhibit Wolfram-2, Schedules 1.01 through 1.12), except reflect these adjustments on an actual calendar year 2012 basis and provide supporting documentation.

d. Regarding (a) and (b) above, identify, explain and provide calculations supporting all other adjustments that BREC made to the actual calendar year 2012 sensitivity run to reflect this on a revenue requirements/rate case basis.

52. Referencing AG 1-39 related to Management Business Plans and budgeted CAPEX for 2013 and 2014, this response shows CAPEX budgets for 2013 and 2014 that are less than CAPEX amounts for 2013 and 2014 included in BREC's filing at Tab 25 Attachment (Berry and Crockett). Address the following:

    a. Explain which CAPEX budgets cited above should be relied upon for this rate case and the forecasted test period.

    b. Explain if BREC's financial model and adjustments for the forecasted test period use the CAPEX plant amounts in (a) above (and explain which CAPEX amounts or budgets are used) to adjust expenses (i.e., depreciation expense, property taxes, and others), accumulated depreciation, deferred income taxes, and other amounts and costs in the forecasted test period. If the answer is "yes", then show how all expenses and other costs in the forecasted test period are calculated based on the related CAPEX plant amounts that are assumed for the forecasted test period and provide all supporting calculations and workpapers.

53. Referencing Big Rivers' response to AG 1-75 related to payroll costs, address the following:

    a. Per the attached spreadsheet AG 1-75(a), please reconcile and show where the expensed and capitalized payroll amounts for the base period ($49.9 m expenses, $.9 m capitalized), forecasted test period ($45.4 expensed and $.4 m capitalized), and 2015 budget ($45.1 m expensed and $.4 m capitalized) are included in the Company's financial model and rate case filing (provide specific references to rows and fields in spreadsheets), and explain the reasons for all differences.

b. Regarding the amounts in (a) above for the forecasted test period, explain if these amounts are before or after BREC's adjustment at Schedule 1.10 to remove "non-recurring labor related to Wilson Layup", and provide a reconciliation of these amounts, showing amounts before and after the Wilson Layup adjustment and all other adjustments to payroll costs.

c. Confirm if the "YTD 2011" payroll expense of $48.1 m and capitalized of $.7 m are actual 2011 calendar year payroll amount, or explain what these amounts represent because they do not agree with 2011 payroll costs of $47,854,574 at AG 1-245(a). Provide an explanation and reconciliation between these amounts.

d. Provide actual 2011 calendar year payroll amounts expensed and capitalized for AG 1-75(a), (b),(c),(d) and (e).

e. Provide copies of RUS forms or forms filed with regulatory agencies or other entities that show 2011 and 2012 payroll costs, and explain and reconcile the differences between the 2011 and 2012 payroll amounts provided in response to AG 1-75(a) and AG 1-76(a).

54. Referencing Big Rivers' response to AG 1-75(a) and AG 1-76(a): Explain and quantify the primary reasons for the reduction in total payroll costs from $49.3 m in 2012 to $45.8 m in the forecasted test period, and provide related calculations for the annualized impact of the removal of payroll costs related to the Wilson Layup and all other reasons that exceed $100,000 per year.

55. Referencing Big Rivers' response to AG 1-77 and AG 1-75(a): Address the following:

a. Explain why the forecast test period shows an increase in percentage of "payroll expensed" and a reduction in the percentage of "payroll capitalized" for the first time compared to the prior base period, 2012, and YTD 2011.

b. Explain why the percentage of payroll capitalized would decrease in the forecasted test period (and other forecasted years) when the amount of CAPEX is expected to increase.

56. Referencing Big Rivers' response to AG 1-78, address the following regarding the "retention program":
    a. Provide a copy of BREC's retention program policy.
    b. Provide the amount of retention amounts paid to each employee for each year the program was in place, and show amounts expensed for the one-year period following the Unwind transaction (and provide that year), 2009, 2010, 2011, 2012, and the forecasted test period.
    c. Explain and provide the criteria used for determining payments under the retention program, and explain how this was used in regards to evaluating actual amounts paid to employees.
    d. Show retention "target/criteria" and show the percent of "target/criteria" achieved for each year, and how this translated to the amount paid for retention bonuses to employees for each of the periods in (b).
    e. Explain the "target/criteria" related or tied to the Unwind Transaction and explain how this was used to determine the amount of related bonuses that were paid.
    f. Explain how the retention program was implemented, who proposed this policy, how was it adopted, and provide copies of Board Minutes authorizing the retention program.

57. Referencing Big Rivers' response to AG 1-75(c),(d), and (e) and AG 1-76(c),(d), and (e) related to short and long-term incentive pay, SERP, and bonuses, address the following:
    a. Provide separately the amount of short and long-term incentive, SERP, and bonus paid to each officer and management for 2011, 2012, base period, forecasted test period, and 2015 budget.
    b. Provide the amounts in (a) for the 12 months following the Unwind Transaction and identify that period.
    c. For (a) and (b), explain why amounts paid in each category increased for each year and provide supporting documentation.
    d. Provide a copy of BREC's short and long-term incentive program, SERP, and bonus policy.
    e. Explain and provide the criteria used for determining payments under the short and long-term incentive program and bonus program, and explain how this was used in regards to evaluating actual amounts paid to employees.

f. Show "target/criteria" and show the percent of "target/criteria" achieved for short and long-term incentives and bonuses for each period in (a) and (b) for officers only, and how this translated to the amount paid for short and long-term incentives and bonuses for officers for each of the periods in (a) and (b). If necessary, show how the various "target/criteria" were weighted in determining the amount paid to each officer for the periods in (a) and (b).
g. For each of the "target/criteria", explain how they were determined and who determined these.
h. For each of the "target/criteria", explain how and why they were changed each year, and how the change in targets/criteria was determined.
i. For each of the "target/criteria", explain those which are beneficial to customers or provide benefits to customers and identify those benefits.
j. For each of the "target/criteria", explain which are related to safety, service quality, Company profits or margins, the Unwind transaction, the current rate case, TIER, return on rate base, and other specific goals.
k. For each of the "target/criteria", explain which are considered "short" term and which are considered "long" term, and explain why.
l. Explain the "target/criteria" related or tied to the Unwind Transaction and explain how this was used to determine the amount of related bonuses that were paid.
m. Explain the "target/criteria" related to this pending rate case and explain how this was used to forecast amounts for short and long-term incentives, bonuses, retention pay, and other amounts in the forecasted test period.
n. Provide copies of Board Minutes authorizing the current compensation program.

58. Referencing Big Rivers' response to AG 1-75(i) which states that the forecasted test period includes an adjustment related to the Wilson Station Layup for 92 employees and related nonrecurring payroll costs of $1,558,742 for the period September 2013 to November 2013, address the following:
a. BREC's adjustment for nonrecurring labor related to the Wilson Layup is identified as $2,595,458 at Tab 50 Attachment, page 7 of 7. Explain the reason for the difference between the amount of $1,558,742 cited at the response to AG 1-75(i) versus the adjustment of

$2,595,458 at the Company's filing and provide a reconciliation and all supporting documentation.

b. Mr. Wolfram's testimony (Exhibit Wolfram-2, Schedule 1-10) shows that 127 budget employees and 35 pro forma employees (total of 162 employees) are reflected in the Wilson Layup adjustment of $2,595,458, explain why this number of employees varies from the 92 employees cited at the response to AG 1-75(i) and provide a reconciliation and all supporting workpapers.

59. Referencing Big Rivers' response to AG 1-75(g) is confusing and states that no severance pay was allocated in the forecasted/budgeted periods, but severance pay of $4.6 million is deferred and amortized over 60 months in the budget beginning September 2013 and is not reflected as part of payroll costs. Address the following:

a. Please clarify the confusion regarding this response, explain if severance costs are included, or are not included, in the forecasted test period.

b. If the answer to (a) is "yes": (i) provide the amount of severance costs included in the forecasted test period and cite to amounts in the financial model (by field/location); and (ii) provide all calculations regarding the amount of severance costs including showing total severance costs, period of amortization, and amortized expenses in the test period.

c. Explain and clarify if all severance costs are related to the Wilson Layup or identify all severance costs by related event or conditions, including the date such events or conditions will begin and end.

d. BREC's response to AG 1-112 provides a brief explanation of severance costs, but clarify per the following and the response to AG 1-75(g) by providing the components included in severance pay of $4.6 million, including payroll costs, medical and dental insurance, and other components.

60. Referencing Big Rivers' response to AG 1-161 which asks for supporting documentation for the Wilson Layup adjustment. BREC's response states that the forecasted test period beginning September 1, 2013, only includes budget labor for the Wilson plant for September, October, and November 2013 (and personnel reductions will not be complete until December 2013), and thus BREC's Wilson Layup adjustment removes the September to November 2013 payroll costs from the rate case, and for that reason an

adjustment of $2,595,458 was removed (Exhibit Wolfram-2, Schedule 1-10). Address the following:

a. Allocate the amount of the adjustment of $2,595,458 between payroll, payroll overheads/benefits, severance costs, and all other costs by specific type.

b. Identify the payroll benefits loadings factor used to allocated payroll overheads for this adjustment, or provide what this payroll benefits loadings factor percentage would be and provide all supporting documentation.

c. Explain if payroll costs for specific employees were removed via the Wilson Layup adjustment, or explain if any "average" payroll cost for employees performing functions at the Wilson plant were removed, and provide supporting calculations for average costs.

61. Referencing Big Rivers' response to AG 1-245 related to payroll costs, address the following:

a. Per the Excel attachments to AG 1-245(a), explain if the amounts shown on those attachments reflect actual 2011 payroll costs of $47,854,573, actual 2012 payroll costs of $49,066,667, and actual January 2013 payroll costs of 6,059,045, or provide the appropriate payroll costs for these periods.

b. Please confirm that BREC's financial model does not calculate or project payroll costs on a per employee basis as provided as shown at AG1-245 on an employee basis per actual payroll records.

62. Referencing Big Rivers' response to AG 1-270 related to the environmental compliance plan (ECP) adjustment and amortization which are cited to Schedule 1.02 of Exhibit Wolfram-2, address the following:

a. Provide the monthly revenues and expenses (and all capital costs) in the same format shown at Schedule 1.02 of Exhibit Wolfram-2, except provide this information for each actual month of calendar 2012 and provide related supporting documentation and explanations as necessary.

b. Explain and show how the $21.3 million of ECP revenues and expenses at Schedule 1.02 of Wolfram-2 reconcile to the amount of ECP cost recovery allowed by the Commission in the ECP tariff rider, and cite to the amounts and other documents in relevant Commission orders and explain the reasons for any differences, and provide related calculations and supporting documentation.

c. Show the amount of ECP revenues and costs recovered under the ECP tariff rider in 2012 for each month, and reconcile this to the amount of ECP cost recovery allowed by the Commission in the ECP tariff rider, and cite to the amounts and other documents in relevant Commission orders. Explain the reasons for any differences, and provide related calculations and supporting documentation.

d. Explain the month and year which the ECP tariff rider was effective and first started collecting revenues.

e. Regarding (b) and (c) above, identify in detail the amount of all expenses (property tax expense, property insurance, interest expense, fixed departmental expense, labor/overhead, depreciation expense, etc.) and other costs (capital plant costs, deferred income taxes, etc.) allowed for recovery per the ECP tariff rider and reconcile these amounts to specific amounts allowed for recovery in relevant Commission orders. Explain the reasons for any differences and provide related calculations and all supporting documentation.

f. Regarding (e) above, reconcile these expenses to the expense amounts identified in the response to AG 1-105(f). Explain the reasons for all differences and provide all calculations and supporting documentation.

g. Explain if the amount of ECP revenues and costs recovered from the ECP tariff rider can be allocated between environmental costs related to the Wilson plant, the R.D. Green station, and any other plants. If the answer is "yes", then provide these amounts by month for: i) actual calendar year 2012; and ii) the months September 2013 through August 2014 of the forecasted test period per Schedule 1.02 of Wolfram-2.

h. Explain if BREC's adjustment to remove ECP revenues and expenses at Schedule 1.02 of Wolfram-2 will properly match up with the removal of costs related to the Wilson Layup or explain further adjustments that are necessary.

63. Referencing Big Rivers' response to AG 1-108 and PSC 2-18 mentioning the [BEGIN CONFIDENTIAL] [redacted] [END CONFIDENTIAL] correspondence and related documents through the most recent period and on a continuing basis.