

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC  
ATTORNEYS AT LAW

RECEIVED

JUL 01 2013

PUBLIC SERVICE  
COMMISSION

Ronald M. Sullivan

Jesse T. Mountjoy

Frank Stainback

James M. Miller

Michael A. Fiorella

Allen W. Holbrook

R. Michael Sullivan

Bryan R. Reynolds\*

Tyson A. Kamuf

Mark W. Starnes

C. Ellsworth Mountjoy

July 1, 2013

**Via Hand Delivery**

Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard, P.O. Box 615  
Frankfort, Kentucky 40602-0615

Re: *In the Matter of: The Application of  
Big Rivers Electric Corporation for a General  
Adjustment in Rates, PSC Case No. 2012-00535*

Dear Mr. Derouen:

Enclosed on behalf of Big Rivers Electric Corporation ("Big Rivers") are an original and ten copies of the supplemental rebuttal testimony of Robert W. Berry, Big Rivers' Motion to Strike, and Big Rivers' response to the Kentucky Industrial Utility Customer, Inc.'s motion regarding use of confidential information at the hearing. I certify that on June 29, 2013, copies of this letter and attachments were served on each of the persons on the attached service list by first class mail, postage prepaid, and by electronic mail.

Sincerely yours,



James M. Miller

JMM/ej  
Enclosures

cc: Billie Richert  
Service List

Telephone (270) 926-4000

Telecopier (270) 683-6694

100 St. Ann Building

PO Box 727

Owensboro, Kentucky

42302-0727

www.westkyllaw.com

Service List  
PSC Case No. 2012-00535

Jennifer B. Hans  
Lawrence W. Cook  
Dennis G. Howard, II  
Assistant Attorneys General  
1024 Capital Center Dr.  
Suite 200  
Frankfort, KY 40601

Mr. David Brevitz  
3623 SW Woodvalley Terrace  
Topeka, KS 66614

Mr. Bion C. Ostrander  
1121 S.W. Chetopa Trail  
Topeka, KS 66615

Mr. Larry Holloway  
830 Romine Ridge  
Osage City, KS 66523

Michael L. Kurtz, Esq.  
Kurt J. Boehm, Esq.  
Boehm, Kurtz & Lowry  
36 E. Seventh St., Suite 1510  
Cincinnati, Ohio 45202

Lane Kollen  
J. Kennedy and Associates, Inc.  
570 Colonial Park Dr., Suite 305  
Roswell, Georgia 30075

Russell L. Klepper  
Energy Services Group, LLC  
316 Maxwell Road, Suite 400  
Alpharetta, Georgia 30009

Gregory Starheim  
President & CEO  
Kenergy Corp.  
3111 Fairview Drive  
P.O. Box 1389  
Owensboro, KY 42302-1389

J. Christopher Hopgood, Esq .  
318 Second Street  
Henderson, Kentucky 42420

Burns Mercer  
Meade County RECC  
1351 Hwy. 79  
P.O. Box 489  
Brandenburg, Kentucky 40108

Thomas C. Brite, Esq.  
Brite & Hopkins, PLLC  
83 Ballpark Road  
Hardinsburg, KY 40143

G. Kelly Nuckols  
President and CEO  
Jackson Purchase Energy Corporation  
2900 Irvin Cobb Drive  
P.O. Box 4030  
Paducah, KY 42002-4030

Melissa D. Yates  
Denton & Keuler, LLP  
555 Jefferson Street  
Suite 301  
Paducah, KY 42001

Joe Childers  
Joe F. Childers & Associates  
300 Lexington Building  
201 West Short Street  
Lexington, Kentucky 40507

Shannon Fisk  
Senior Attorney  
Earthjustice  
1617 John F. Kennedy Blvd., Suite 1675  
Philadelphia, PA 19103

Robb Kapla  
Staff Attorney  
Sierra Club  
85 Second Street  
San Francisco, CA 94105

Sarah Jackson  
Frank Ackerman  
Synapse Energy Economics  
485 Massachusetts Avenue, Suite 2  
Cambridge, MA 02139



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11

**SUPPLEMENTAL REBUTTAL TESTIMONY  
OF  
ROBERT W. BERRY**

**TABLE OF CONTENTS**

**I. INTRODUCTION**

**II. PURPOSE OF TESTIMONY**

**III. REBUTTAL**

**IV. CONCLUSION**

1 SUPPLEMENTAL REBUTTAL TESTIMONY  
2 OF  
3 ROBERT W. BERRY  
4

5 I. INTRODUCTION

6 Q. Please state your name and business address.

7 A. My name is Robert W. Berry. My business address is 201 Third Street, Henderson,  
8 Kentucky 42420.

9 Q. Are you the same Robert W. Berry who provided direct and rebuttal testimony in  
10 this proceeding?

11 A. Yes.  
12

13 II. PURPOSE OF TESTIMONY

14 Q. What is the purpose of your testimony in this proceeding?

15 A. I am testifying on behalf of Big Rivers Electric Corporation (“Big Rivers”) to respond to  
16 the supplemental testimony of Sierra Club witness Frank Ackerman that was served on  
17 June 28, 2013.  
18

19 III. REBUTTAL

20 Q. On page 1 of his supplemental testimony, Mr. Ackerman concludes that “the  
21 requested rate increase is not fair, just, and reasonable, since it forces customers to  
22 pay for maintaining unprofitable excess capacity.” Do you agree?

23 A. No. Mr. Ackerman’s conclusion is just a repeat of what he said in his direct testimony,  
24 which I refuted in my initial rebuttal testimony. In that rebuttal testimony, I explained  
25 that Coleman Station continues to be used and useful because (i) it may be required to

1 operate for reliability purposes, and (ii) it is an important part of Big Rivers' mitigation  
2 plan. As such, it is fair, just, and reasonable to include the fixed costs of Coleman in  
3 rates.

4 **Q. Is Coleman required to be operated for reliability purposes?**

5 A. As I explained on page 5 of my initial rebuttal testimony, the Midcontinent Independent  
6 System Operator, Inc. ("MISO") has identified reliability issues if Coleman Station is  
7 idled and Century continues to operate at 482 MW. This may be reduced upon further  
8 study by MISO, increasing the likelihood that MISO will require Big Rivers to continue  
9 to operate the plant. If MISO requires Big Rivers to continue to operate Coleman, it will  
10 provide system reliability benefits for Big Rivers' members, and the regional  
11 transmission system.

12 If MISO requires Big Rivers to operate Coleman for reliability purposes, MISO  
13 will also require Big Rivers to continue to bear the fixed costs associated with Coleman  
14 that Big Rivers would incur if Coleman were idled, such as interest, depreciation,  
15 property tax, and property insurance. Since Coleman would be necessary for the  
16 transmission system to operate reliably in this situation, it would be appropriate to  
17 continue to allow Big Rivers to recover such costs in its rates.

18 **Q. How will Big Rivers' members benefit if Coleman is not required to be operated for**  
19 **reliability purposes?**

20 A. Even if Big Rivers idles Coleman, Coleman still benefits Big Rivers' members because it  
21 is an important part of Big Rivers' mitigation plan. Mr. Ackerman thinks Big Rivers  
22 should be required to sell or retire units that are freed up by the Century contract

1 termination.<sup>1</sup> However, if Big Rivers is required to sell Coleman at fire sale prices or  
2 retire Coleman, it would be throwing away a valuable asset that is part of Big Rivers'  
3 long-term mitigation plan.

4 Coleman Station has many years left on its useful life. It just does not make sense  
5 to force Big Rivers to shutter Coleman, or to sell it at a fire sale, because Big Rivers  
6 would still have to pay the interest expense attributable to Coleman, yet its members  
7 would not receive the benefits of that plant. Big Rivers is actively working to maximize  
8 the value of Coleman for the benefit of its members. For example, Big Rivers and its  
9 members, in collaboration with local and state government and economic development  
10 agencies, are seeking new load for the area. New load locating in the Hawesville area  
11 will require Coleman to operate for reliability purposes if Century is operating at the Base  
12 Load, unless there are significant regional transmission upgrades to increase the  
13 transmission import capability to the area.

14 Big Rivers has offered Coleman for sale and would sell the plant if that would  
15 provide greater benefit to the members than idling the plant. But selling the plant at fire  
16 sale prices would not provide such a benefit.

17 Big Rivers is also responding to requests for proposals and negotiating with other  
18 potential purchasers of the energy from Coleman. Sierra Club claims the energy and  
19 capacity from Coleman have no value now or in the future. But even if Big Rivers is  
20 unable to find success with any of its other mitigation strategies by 2019, Big Rivers will  
21 at least be able to sell the energy from Coleman into the market. I explain later in this  
22 testimony why Big Rivers' projections showing that market prices will be sufficient in

---

<sup>1</sup> See Direct Testimony of Frank Ackerman at page 4, lines 19-21, and page 5, lines 20-23.



1 2019 to bring idled plants back on line are reasonable. Also, I provided an exhibit in my  
2 initial rebuttal testimony that shows the value of the capacity of Coleman. But the  
3 bottom line is that it makes no sense to shutter Coleman now and throw away the benefit  
4 from a valuable asset when you can instead idle the plant at a minimal cost now, maintain  
5 its value, and preserve the ability to reduce rates to members in the future.

6 **Q. Mr. Ackerman states on Page 1 that Big Rivers does not make a compelling case for**  
7 **maintaining Big Rivers' existing capacity and reactivating Wilson in 2019. Does Big**  
8 **Rivers' financial modeling utilize the correct information from the production cost**  
9 **models and validate the restart of Wilson in 2019?**

10 A. Yes. Big Rivers performed five different production cost model runs and used Sensitivity  
11 3 (Wilson Idled) in the forecast filed with the Century rate case filing where the Wilson  
12 generating station was idled following the loss of Century load in August 2013. It was  
13 decided that based purely on economics the plant would remain idled past 2016. MISO  
14 has approved the idling of Wilson generating station through 2016, but has stated in its  
15 June 12, 2013 Attachment Y-2 Study Report, attached to my testimony as Exhibit A, that  
16 potential reliability issues were identified starting in 2017. For longer term forecasting  
17 Big Rivers' utilized Sensitivity 4 (All Running) of the production cost model runs with  
18 all units running to decide when to restart the Wilson generating station. In 2019 the off-  
19 system power market reached a level where the revenue generated by operating the plant  
20 could cover the additional fixed and variable costs related to the unit re-start and bring  
21 added value to Big Rivers' members. The financial model utilizes production cost model  
22 outputs from PCM Sensitivity 3 (Wilson Idled) through 2018 and Sensitivity 4 (All  
23 Running) for 2019 and beyond. These outputs include, but are not limited to unit

1 generation, unit emissions, fuel and reagent expenses and purchased power  
2 price/volumes. For modeling purposes the necessary PCM outputs from Sensitivity 4  
3 (All Running) for 2019 and beyond were incorporated into a single data file for use by  
4 the financial model, which was referred to as the hybrid file. The outcome would be  
5 identical in this approach or if the financial model had linked separately to Sensitivity 3  
6 (Wilson Idled) through 2018 and Sensitivity 4 (All Running) in 2019 and beyond.  
7 Additional O&M and capital expenses were added to the financial model to cover the  
8 costs to bring the plant online and operate going forward. These details were discussed in  
9 the first paragraph in the response to Shannon Fisk on June 25, 2013.

10 **Q. Mr. Ackerman describes two other price forecasts. (Ackerman 3:14 - 4:10). Are**  
11 **these other two price forecasts comparable to the forecast relied upon by Big Rivers**  
12 **in this case?**

13 A. No. The first forecast is one developed by Indianapolis Power & Light (“IPL”) based on  
14 forecasts from the consulting firm Ventyx and included in a filing before the Indiana  
15 Utility Regulatory Commission (“IURC”) initiated in August, 2012. The second is a  
16 forecast of average electricity prices to all end-users from the Energy Information  
17 Administration’s (“EIA’s”) Annual Energy Outlook (“AEO”) 2013.

18 **Q. Why is the IPL forecast not comparable to the Big Rivers forecast?**

19 A. The IPL forecast should not be considered comparable because no information about the  
20 assumptions used in the IPL filing before the IURC is provided in this case. The cause  
21 number provided by Mr. Ackerman indicates that the forecast was used in a docket  
22 initiated in August of 2012, which would indicate that the forecast was developed prior to  
23 that date, or at least one year ago. It is not clear what the purpose of the IPL forecast  
24 was, or what assumptions about CSAPR, CAIR, MATS, natural gas prices, economic  
25 growth, plant retirements, or other market considerations were included in development

1 of the forecast. In short, it is impossible to tell what is and is not included in the IPL  
2 forecast referenced by Mr. Ackerman.

3 **Q. Why is the AEO forecast not comparable to the Big Rivers forecast?**

4 A. The AEO forecast should not be considered comparable because it is simply not a  
5 wholesale power market price forecast. The AEO prices reflect the projected end-user  
6 average pricing for electricity for the combined residential, commercial, industrial, and  
7 transportation sectors. This is very different from a projection of wholesale energy  
8 market pricing. For this reason the AEO data should be disregarded.

9 **Q. Does the AEO forecast include the costs of complying with what Mr. Ackerman  
10 describes as “expected” future environmental regulations?**

11 A. No. The preface to the AEO2013 report states on page (i) that

12 AEO2013 projections are based generally on federal, state, and local laws and  
13 regulations in effect as of the end of September 2012. The potential impacts of  
14 pending or proposed legislation, regulations, and standards (and sections of  
15 existing legislation that require implementing regulations or funds that have not  
16 been appropriated) are not reflected in the projections (AEO2013 Preface page ii)

17  
18 On page (iii), the document makes clear that the reference case includes the  
19 reinstatement of CAIR after the court’s announcement of intent to vacate CSAPR. The  
20 reference case does not include a cost associated with CO2. It is noteworthy that Mr.  
21 Ackerman criticizes Big Rivers’ forecast for excluding these considerations, but relies  
22 upon a forecast that also excludes these considerations. This is another reason that Mr.  
23 Ackerman’s recommendations should be rejected.

24 **Q. Why is Big Rivers’ forecast superior to both the IPL and AEO forecasts?**

25 A. The forecast for wholesale market prices that Big Rivers relies upon in this filing is more  
26 reliable than either the IPL or the AEO forecast. The ACES forecast was developed by  
27 an organization that is directly involved in the Midwest power markets and was produced  
28 in a timeframe consistent with the instant filing. The ACES forecast is representative of

1 transactions that may actually take place in the Midwest energy marketplace and takes  
2 into consideration all of the information that is available to market participants.

3 **Q. Why do the wholesale market prices in the forecast used by Big Rivers increase in**  
4 **2019?**

5 A. I expect that the projected market prices increase in 2019 primarily due to planned or  
6 announced plant retirements and the impact of those retirements upon the total generating  
7 capacity in the region. It is my understanding that such retirements stem from the MATS  
8 rule and the economics related to compliance with that rule.

9 **Q. Do the increased market prices in 2019 exaggerate the value of Big Rivers' existing**  
10 **plants to ratepayers?**

11 A. No. Because Big Rivers does include the costs of MATS compliance in its forecast, and  
12 because the market prices are expected to climb in 2019 due to plant retirements related  
13 to MATS compliance, the claim that Big Rivers is exaggerating the value of its existing  
14 plants to ratepayers is false and should be dismissed.

15 **Q. Mr. Ackerman states that “the rate increase requested in this case is based, in part,**  
16 **on a projected need to spend roughly \$60 million on compliance with the MATS**  
17 **(mercury and air toxins) rule.” (Ackerman 6: 10-12). Is this correct?**

18 A. No. The rate increase in this case is not based in part on the approximately \$60 million  
19 MATS expenditures. Those expenditures are included in the Environmental Surcharge  
20 mechanism and were adjusted out of the revenue requirements calculation, as shown in  
21 Exhibit Wolfram-2.3, Reference Schedule 1.02. These expenditures and interest costs on  
22 debt for that construction are recovered through the Environmental Surcharge. That  
23 expenditure and the MATS projects were approved by the Commission in Case No.

1 2012-00063 based upon the Commission's acceptance of a unanimous settlement  
2 agreement to which the Sierra Club was a party.

3 **Q. Mr. Ackerman indicates that Big Rivers' calculations do not "include the full costs**  
4 **of compliance with current and anticipated environmental regulations." (Ackerman**  
5 **2:31-32). Is it true that Big Rivers does not include costs for compliance with any**  
6 **existing environmental regulations?**

7 A. No. Big Rivers does include existing environmental regulations in its analysis. Mr.  
8 Ackerman does not cite any specific regulation that is excluded. Instead, Mr. Ackerman  
9 refers only to regulations like CSAPR that have been vacated or to other potential  
10 regulations "under consideration at EPA" which "might again become relevant." The  
11 claim that Big Rivers ignores the cost of complying with existing regulations is incorrect.

12 **Q. Mr. Ackerman's supplemental testimony, page 2, lines 21 through 35 criticizes Big**  
13 **Rivers' modeling assumptions. Are Mr. Ackerman's criticisms valid?**

14 A. No. First, the prices that Ms. Wilson criticized in the 2012 ECP case were the PACE  
15 Global prices. Big Rivers does not use the PACE Global prices in this case. Next, Mr.  
16 Ackerman refers to Big Rivers ECP filing, Case No. 2012-00063 which has no relevance  
17 to this proceeding. In the 2012 ECP case Big Rivers utilized the forward price forecast  
18 from Pace Global in its modeling runs. For this proceeding Big Rivers utilized the  
19 forward price forecast from ACES and those prices do not include the impact of carbon  
20 regulations. The increase in market prices in 2019 is driven primarily by the forecasted  
21 plant closures due to MATS regulations. The assumption of plant closures due to the  
22 MATS regulation is supported by the Wood-Mackenzie and IHS Global capacity price  
23 forecast which reflect a significant increase in capacity price in 2016. The capacity price  
24 forecast was confidentially provided in Exhibit Berry Rebuttal-1.

1           Lastly, the 2012 ECP filing, Case No. 2012-00063 was approved by the  
2 Commission based upon the Commission’s acceptance of a unanimous settlement  
3 agreement to which Sierra Club was a party.

4 **Q. Mr. Ackerman complains on page 8 of his supplemental testimony that one of Big  
5 Rivers’ model runs has “internal inconsistencies.” Do you agree?**

6 A. No. Mr. Ackerman incorrectly claims that Big Rivers’ hybrid model run appears to be  
7 “internally inconsistent.” Essentially, when looking at the “hybrid” production cost  
8 model file, it is the Sensitivity 3 (Wilson Idled) file except for portions of two  
9 worksheets. On the “Annual Resource Report” worksheet, rows 424-532 and on the  
10 “Annual Sources & Uses” worksheet, rows 52-74, information was copied from  
11 Sensitivity 4 (All Running) model run. The “hybrid” production cost model was created  
12 so it could be used in the financial model. The financial model file provided does have  
13 Wilson idled in September, 2013 and restarted in 2019.

14           Big Rivers’ approach to modeling allowed a great level of sensitivity analysis. By  
15 running PCMs that showed Wilson Idled (Sens. 3) for the full planning period and  
16 Sensitivity 4 (All Running) for the full planning period, Big Rivers was afforded a greater  
17 level of flexibility in creating sensitivities around the timing, duration, and impacts of  
18 idling units. Mr. Ackerman implied that Big Rivers’ modeling was lacking due to this  
19 fact; however, this approach actually benefitted Big Rivers in its analysis through  
20 increased functionality and sensitivity optionality. The worksheets Mr. Ackerman  
21 references were not updated for the hybrid model because they were not used in the  
22 financial model.

1 **Q. In his supplemental testimony at page 8:25-26 Mr. Ackerman criticizes Big Rivers'**  
2 **off-system sales projections as being overly optimistic. Is this a valid statement?**

3 A. No. As noted by Mr. Ackerman in his testimony earlier on that page, the year to which  
4 he directs his criticism is the year that Wilson is restarted. Because of Big Rivers'  
5 participation in the MISO market and the way power markets operate. Big Rivers has an  
6 automatic outlet for every megawatt of power its plants produce. Big Rivers' off-system  
7 sales increase identified by Mr. Ackerman is due almost solely to the operation of the  
8 Wilson plant. The Wilson plant has historically been a low-cost supplier of market  
9 power, thus its capacity factor for 2012 was 84.5%.

10 **Q. Mr. Ackerman's supplemental testimony, page 10, lines 12 through 17 criticizes Big**  
11 **Rivers modeling assumptions regarding future environmental regulations. Do you**  
12 **agree that Big Rivers should have assumed any and all potential future**  
13 **environmental regulations?**

14 A. No. In the fully-forecasted test period it is not practical or reasonable to include potential  
15 future environmental regulations that have not even been formulated and may not apply.  
16 It is practically impossible for anyone to make reasonably accurate assumptions  
17 regarding what potential new environmental regulations will be enacted and what the  
18 parameters will be required in the regulation. One has to look no further than the CSAPR  
19 regulation that was filed in the federal register and then later vacated. The CSAPR  
20 regulation changed significantly from the time it was proposed to the time it was actually  
21 filed in the federal register. For example, when the CSAPR regulation was first proposed  
22 Big Rivers' largest challenge was to meet the NOx limitations, however; the regulation  
23 continued to change and the final rule made SO2 compliance the largest challenge for Big

1 Rivers. In this proceeding Big Rivers believes it is fair just and reasonable to only  
2 consider known environmental regulations and not request a larger increase to comply  
3 with regulations that are only speculation.

4 **IV. CONCLUSION**

5 **Q. Do you have any closing comments?**

6 A. A practical point I think is being missed is that economics drive the decision about  
7 running, idling or restarting a unit. If the economics make restarting a plant economically  
8 advantageous to its Members, Big Rivers will do so. If not, it will not restart the idled  
9 units. These basic economics will result in decisions that are essentially in line with what  
10 Sierra Club advocates, which is only to restart the unit if it is economical.

11 Projecting future market prices is just that, a projection; the farther in the future  
12 the projection, the less accurate the projection will be. Big Rivers engaged ACES to  
13 provide forecasted market energy prices. ACES is a reputable firm that provides this  
14 service to many other utilities, both members and non-members. It is not Big Rivers'  
15 intention to become a merchant generator depending solely on short-term market sales.  
16 Big Rivers is a risk-adverse cooperative that exists to serve its members. Short term  
17 market sales are only mechanisms to bridge the gap between the loss of the smelter load,  
18 and the time it takes to successfully execute Big Rivers' mitigation plan. Big Rivers'  
19 mitigation plan is a multi-prong approach which includes a reduction in expenses and  
20 replacing the smelter load with a combination of new economic development and long-  
21 term purchase power agreements, augmented by short and medium term sales.

22 Operating an electric utility requires Big Rivers to take the long term view in its  
23 mitigation plan. As repeatedly stated, Big Rivers' goal is to maximize its Members'  
24 value. As a not-for-profit cooperative, we always have our Members' interest at heart.



1 While the projections of market prices submitted by Big Rivers and the Sierra Club  
2 differ, Big Rivers contends that the uncertainty that exists regarding future prices makes  
3 it even more important to give Big Rivers the time, flexibility and broad range of options  
4 to implement its mitigation plan. Sierra Club contends that Big Rivers' assets have no  
5 value. This contention is incorrect and is very narrow sighted. Big Rivers has  
6 demonstrated through low rates to its membership that its plants are very competitive in  
7 the market. Big Rivers' Coleman Station has received the Operational Excellence Award  
8 from Navigant Consulting as the top small plant coal-fired facility in the country for two  
9 consecutive years. Navigant Consulting benchmarking includes approximately 78% of  
10 all coal fired generation in the country. Big Rivers' demonstrated capacity factor also  
11 reflects that its plants are desirable in the market and their dispatch ranks among the top  
12 of plants throughout the country.

13 The Sierra Club would like to see Big Rivers retire useful assets. If Big Rivers  
14 adopted the Sierra Club's proposal to retire these assets, it would narrow Big Rivers'  
15 mitigation plan options and ensure that Big Rivers' Members were never able to reap any  
16 future benefits derived from the valuable assets they currently own. Sierra Club's  
17 contention that Big Rivers is harming its members by keeping these assets should be  
18 dismissed. Big Rivers' members deserve to be given the opportunity to reduce their rates  
19 in the future. Sierra Club's proposal robs Big Rivers' Members of this opportunity and is  
20 unfair to both current and future Member-owners.

21 **Q. Does this conclude your supplemental rebuttal testimony?**

22 **A. Yes.**

APPLICATION OF BIG RIVERS ELECTRIC CORPORATION  
FOR A GENERAL ADJUSTMENT IN RATES  
CASE NO. 2012-00535


VERIFICATION

I, Robert W. Berry, verify, state and affirm that I prepared or supervised the preparation of my rebuttal testimony filed with this Verification, and that this rebuttal testimony is true and correct to the best of my knowledge, information and belief formed after a reasonable inquiry.

  
\_\_\_\_\_

COMMONWEALTH OF KENTUCKY  
COUNTY OF DAVIESS

SUBSCRIBED AND SWORN TO before me by Robert W. Berry on this  
the 29 day of June, 2013.

  
\_\_\_\_\_  
Notary Public, Ky. State at Large  
My Commission Expires 7/29/15  
Notary #D No.: 446462

TO THE PSC AND INTERVENORS IN CASE NO. 2012-00535:

PLEASE NOTE THAT ALL CONFIDENTIAL INFORMATION HAS BEEN  
REDACTED FROM THIS DOCUMENT.

---

**Attachment Y-2 Study**  
**Wilson, Unit 1: 417 MW Coal**  
**29 Month Suspension**  
**8/20/2013 – 1/1/2015**

# **ATTACHMENT Y-2 STUDY REPORT**

## **FINAL**

June 12, 2013

**CONTAINS CONFIDENTIAL**

**INFORMATION**

**DO NOT RELEASE**

**CONFIDENTIAL**

This document contains confidential information and should only be shared with direct recipients on a need to know basis. All contents of the following document are confidential and proprietary to MISO. Information cannot be shared with outsiders without explicit authorization.

## EXECUTIVE SUMMARY

MISO received an Attachment Y - 2 Request for Non-Binding Study Regarding Potential SSR Status (Attachment Y-2 Request) from Big Rivers Electric Corporation was received on December 28<sup>th</sup> 2012. The request was to determine the reliability impact of the potential suspension of Wilson Unit 1 from August 20, 2013 to January 1, 2015. The Attachment Y-2 analysis is performed as a non-binding assessment of potential reliability issues due to the Suspension or Retirement of a Generation Resource. The results of the study are not definitive and the analysis is intended only to provide information to the Market Participant (MP) to assist them in evaluating their options. However it does not commit the Market Participant (MP) to proceed with plans for Suspension or Retirement.

The study results indicate that during the suspension period no potential transmission reliability issues were identified to require the need for a System Support Resource (SSR) contract. However beyond the requested suspension period potential reliability issues were identified starting in 2017 that suggest the unit would be needed in the future. Therefore, under Section 38.2.7 of the MISO Open Access Transmission and Energy and Operating Reserve Markets Tariff ("Tariff"), the BREC Wilson Unit 1 could be suspended from service without the need for the generator to be designated as a System Support Resource ("SSR") unit as defined in the Tariff. If BREC were to extend the suspension or retire the unit, then the issues that arise in the later years would require the unit be designated as an SSR if a mitigation plan could not be developed prior to the extension or retirement.

**Contents**

I. Introduction ..... 4

II. Study Objectives..... 5

III. Models and Assumptions..... 5

    a. Model Assumptions ..... 5

    b. Load Sensitivity to Century Aluminum Plant (485 MW)Transmission Projects ..... 5

    c. Table of Models ..... 6

IV. Study Criteria and Methodology ..... 6

    a. Applicable Reliability Planning Criteria..... 6

        MISO Transmission Owners..... 6

        Non – MISO Transmission Owners..... 8

    b. MISO Transmission Planning BPM - SSR Criteria..... 9

    c. Contingencies..... 9

V. Study Results ..... 10

    a. Branch Results (Appendix A Table 1a)..... 10

    b.Voltage Results (Appendix A Table 1b)..... 10

VI. Conclusion ..... 10

VII. Appendices ..... 11

Confidential - Do Not Release

# I. INTRODUCTION

Big Rivers Electric Corporation, submitted an Attachment Y-2 “Request for Non-Binding Study Regarding Potential SSR Status”. Unlike the Attachment Y, an Attachment Y-2 Request is for an information study to evaluate the potential for a unit to be designated as an SSR and does not commit the Market Participant to proceed with plans to Retire or Suspend a generator. This study of the Wilson Generation Unit determined the reliability impacts that would occur if these units were to be removed from service on August 20, 2013 and return to service on January 1, 2015. With Wilson generation unavailable during this period of time, the study will also address the reliability impacts of two scenarios: 1) Century Aluminum ceases operation on August 19, 2013 and 2) Century Aluminum continues normal operations.

Location: Centertown, Kentucky

Number and type of generating unit(s): One Unit

Plant and unit number(s): Wilson Plant Unit #1

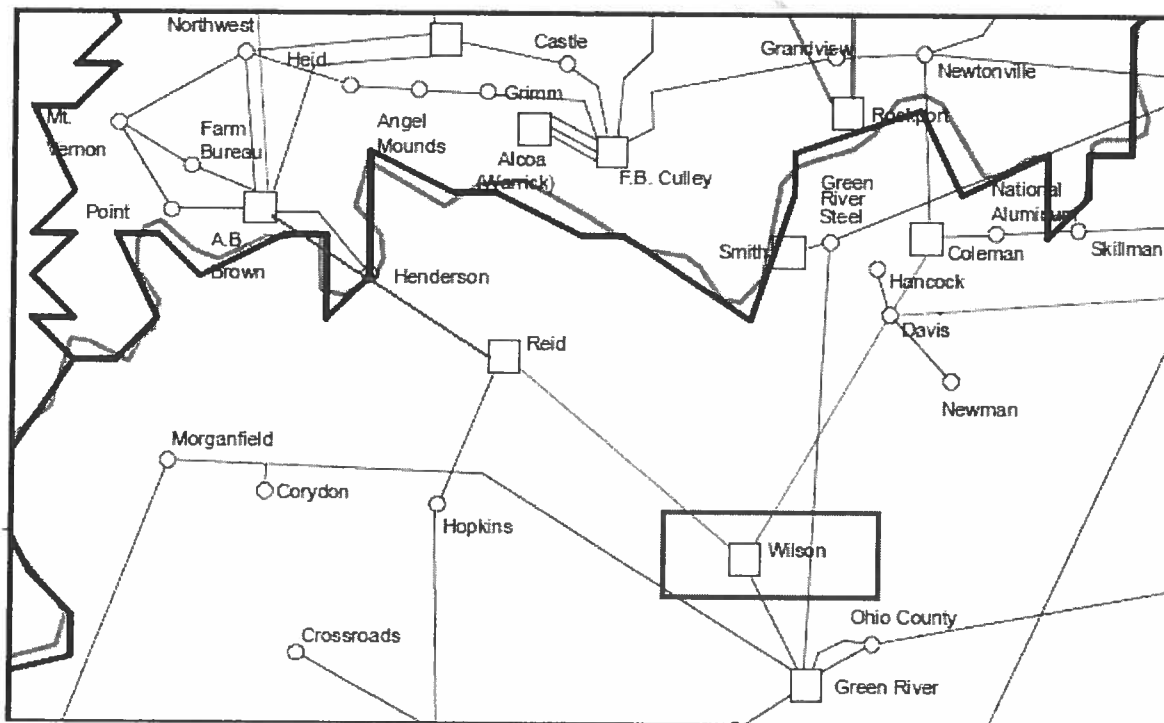


Figure 1: General Location of the Wilson Plant in Northern Kentucky

## II. STUDY OBJECTIVES

Under Section 38.2.7 of the MISO Tariff, System Support Resource (SSR) procedures maintain system reliability by providing a mechanism for MISO to enter into agreements with Market Participants (MP) that own or operate Generation Resources or Synchronous Condenser Units (SCUs) that have requested to either Retire or Suspend but are required to maintain system reliability

The principal objective of and Attachment Y-2 study is to determine if the units for which a change of status is requested are necessary for system reliability based on the criteria set forth in the MISO Business Practices Manuals. The study work included monitoring and identifying the steady state thermal/voltage violations on transmission facilities due to the unavailability of the Generation Resource. The relevant MISO Transmission Owner and/or regional reliability criteria were used for monitoring such violations.

## III. MODELS AND ASSUMPTIONS

Corresponding to the anticipated suspension of Wilson Unit 1, the following power system analysis source models were used for the study:

- 2014 Summer Peak
- 2017 Summer Peak
- 2017 Shoulder

The Attachment Y study models were created following the MISO Transmission Planning Business Practice Manual (BPM-020-r8) Section 6.2.2. This includes creating a set of models from each source model in which the units being studied are at full generation or taken out of service.

### Model Assumptions

#### a. Area Generation

Coleman 1, 2, 3 online  
Green 1, 2 online

#### b. Load Sensitivity to Century Aluminum Plant (485 MW) Transmission Projects

1. Gilbertsville 161 kV Substation The new Gilbertsville 161 kV Substation has an anticipated in-service date of September 1, 2014. This new substation will be included in the two MTEP12 2017 models since the substation will be in-service during the time Wilson Generation is unavailable.

2. LGEE / KU Matanzas 161 kV Substation The new Matanzas 161 kV Substation has an anticipated in-service date of 2013. This new substation will be included in all the models since the substation will be in-service during that time.

**c. Table of Models**

n	Model	Wilson 1	Century Aluminum	Contingency Categories
1	2014SP	off	off	B, C1, C2, C5
2	2014SP	off	on	B, C1, C2, C5
3	2014SP	on	off	B, C1, C2, C5
4	2014SP	on	on	B, C1, C2, C5
5	2017SH	off	off	B, C1, C2, C3, C5
6	2017SH	off	on	B, C1, C2, C3, C5
7	2017SH	on	off	B, C1, C2, C3, C5
8	2017SH	on	on	B, C1, C2, C3, C5
9	2017SP	off	off	B, C1, C2, C5
10	2017SP	off	on	B, C1, C2, C5
11	2017SP	on	off	B, C1, C2, C5
12	2017SP	on	on	B, C1, C2, C5

**IV. STUDY CRITERIA AND METHODOLOGY**

Siemens PTI's Power System Simulator for Engineering (PSS/E) and Managing and Utilizing System Transmission (MUST) were used to perform AC contingency analysis. Contingency analysis is the study of transmission system facility outages. Outages of transmission facilities are applied to a mathematical model of the transmission system in order to calculate the effects on the remainder of the system. The models were solved with automatic control of Load Tap Changers (LTCs), phase shifters, DC taps, switched shunts enabled (regulating), and area interchange disabled. The results are compared to determine if there were any criteria violations due to the change in the status for the unit(s).

**a. Applicable Reliability Planning Criteria**

**MISO Transmission Owners**

AMIL Transmission Planning Criteria applied for the thermal analysis:

- For Category A contingencies, all thermal loadings exceeding 100% of the normal rating for AMIL System



- For Category B and C contingencies, all thermal loadings exceeding 100% of the emergency rating for AMIL System

AMIL Transmission Planning Criteria applied for the voltage analysis:

- For Category A contingencies, all substation voltages less than 95% or above 105%
- For Category B and C contingencies, all substation voltages less than 90% or above 110%

BREC Transmission Planning Criteria applied for the thermal analysis:

- For Category A contingencies, all thermal loadings exceeding 100% of the normal rating for BREC System
- For Category B and C contingencies, all thermal loadings exceeding 100% of the emergency rating for BREC System

BREC Transmission Planning Criteria applied for the voltage analysis:

- For Category A contingencies, all substation voltages less than 95% or above 105%
- For Category B and C contingencies, all substation voltages less than 90% or above 110%

DEI Transmission Planning Criteria applied for the thermal analysis:

- For Category A contingencies, all thermal loadings exceeding 100% of the normal rating for DEI System
- For Category B and C contingencies, all thermal loadings exceeding 100% of the emergency rating for BREC System

DEI Transmission Planning Criteria applied for the voltage analysis:

- For Category A contingencies, >100 kV substation voltages less than 95% or above 105%
- For Category B and C contingencies, >100 kV substation voltages less than 90% or above 105%

HE Transmission Planning Criteria applied for the thermal analysis:

- For Category A contingencies, all thermal loadings exceeding 100% of the normal rating for HE System
- For Category B and C contingencies, all thermal loadings exceeding 100% of the emergency rating for HE System

HE Transmission Planning Criteria applied for the voltage analysis:

- For Category A contingencies, >100 kV substation voltages less than 95% or above 105%
- For Category B and C contingencies, >100 kV substation voltages less than 90% or above 110%

SIGE Transmission Planning Criteria applied for the thermal analysis:

- For Category A contingencies, all thermal loadings exceeding 100% of the normal rating for SIGE System
- For Category B and C contingencies, all thermal loadings exceeding 100% of the emergency rating for SIGE System

SIGE Transmission Planning Criteria applied for the voltage analysis:

- For Category A contingencies, >100 kV substation voltages less than 95% or above 105%
- For Category B and C contingencies, >100 kV substation voltages less than 95% or above 105%

SIPC Transmission Planning Criteria applied for the thermal analysis:

- For Category A contingencies, all thermal loadings exceeding 100% of the normal rating for SIGE System
- For Category B and C contingencies, all thermal loadings exceeding 100% of the emergency rating for SIGE System

SIPC Transmission Planning Criteria applied for the voltage analysis:

- For Category A contingencies, >100 kV substation voltages less than 91% or above 105%
- For Category B and C contingencies, >100 kV substation voltages less than 91% or above 105%

#### **Non – MISO Transmission Owners**

LGEE Transmission Planning Criteria applied for the thermal analysis:

- For Category A contingencies, all thermal loadings exceeding 100% of the normal rating for LGEE System
- For Category B and C contingencies, all thermal loadings exceeding 100% of the emergency rating for LGEE System

LGEE Transmission Planning Criteria applied for the voltage analysis:

- For Category A contingencies, >100 kV substation voltages less than 95% or above 105%
- For Category B and C contingencies, >100 kV substation voltages less than 90% or above 110%

TVA Transmission Planning Criteria applied for the thermal analysis:

- For Category A contingencies, all thermal loadings exceeding 100% of the normal rating for TVA System
- For Category B and C contingencies, all thermal loadings exceeding 100% of the emergency rating for TVA System

TVA Transmission Planning Criteria applied for the voltage analysis:

- For Category A contingencies, >100 kV substation voltages less than 95% or above 105%

- For Category B contingencies, >100 kV substation voltages less than 95% or above 110%
- For Category C contingencies, >100 kV substation voltages less than 93% or above 110%

AECI Transmission Planning Criteria applied for the thermal analysis:

- For Category A contingencies, all thermal loadings exceeding 100% of the normal rating for AECI System
- For Category B and C contingencies, all thermal loadings exceeding 100% of the emergency rating for AECI System

AECI Transmission Planning Criteria applied for the voltage analysis:

- For Category A contingencies, >100 kV substation voltages less than 95% or above 105% (
- For Category B and C contingencies, >100 kV substation voltages less than 90% or above 110%

Under category C contingencies, for the valid thermal and voltage violations as specified above, generation re-dispatch, system reconfiguration, and/or load shedding will be considered if applicable.

#### **b. MISO Transmission Planning BPM - SSR Criteria**

As specified in MISO BPM-020-r8, the System Support Resource criteria for determining if an identified facility is impacted by the generator change of status will be:

- Under system intact and contingent events, branch thermal violations are only valid if the flow increase on the element in the “after” retirement scenario is equal to or greater than:
  - a) 5% of the “to-be-retired” unit(s) MW amount (i.e. 5% Power Transfer Distribution Factor (PTDF)) for a “base” violation compared with the “before” retirement scenario, or
  - b) 3% of the “to-be-retired” unit(s) amount (i.e. 3% Outage Transfer Distribution Factor (OTDF)) for a “contingency” violation compared with the “before” retirement scenario.
- Under system intact and contingent events, high and low voltage violations are only valid if the change in voltage is greater than 1% as compared to the “before” retirement voltage calculation.

#### **c. Contingencies**

A subset of the MISO Transmission Expansion Plan (MTEP) contingencies in the central region were used for AC contingency analysis. Additional contingencies from TVA, LG&E, and AECI were included in this analysis to provide coverage for events on those adjacent transmission systems.

The following North American Electric Reliability Corporation (NERC) Categories of contingencies were evaluated:

1. Category A when the system is under normal conditions.
2. Category B contingencies resulting in the loss of a single element.
3. Category C contingencies resulting in the loss of two or more (multiple) elements.
4. Maintenance outage condition with forced outage during shoulder load conditions.

## V. STUDY RESULTS

### a. Branch Results (Appendix A Table 1a)

Table 1a in Appendix A shows contingent conditions causing branch criteria violations without Wilson Unit 1 and the improvements resulting from the operation of Wilson Unit 1. Contingent events causing branch violations include NERC Categories B, C1, C2, and C3.

The issues seen are primarily in low voltage facilities, with no branch violations in the bulk electric system (100kV and above) in the 2014 case.

### b. Voltage Results (Appendix A Table 1b)

Significant voltage criteria violations associated with the suspension of Wilson Unit 1 were identified when compared to the continued availability of the unit. Table 1 in Appendix A shows contingent conditions causing criteria violations without Wilson Unit 1 and the improvements resulting from the operation of Wilson Unit 1. Contingent events causing voltage criteria violations include NERC Categories B, C1, C2, and C3. The acceptable post-contingency voltage range is between 0.92 per unit to 1.07 per unit. Therefore, voltages less than 0.92 or greater than 1.07 per unit are a criteria violation.

There are two low voltage violations in the 2014 case that are pre-existing but improve with the Wilson unit 1 suspension. A number of voltage violations appear to be caused by the suspension of the unit in the 2017 summer analysis results with few in the 2017 shoulder case.

## VI. CONCLUSION

The study results indicate that during the suspension period no potential transmission reliability issues were identified to require the need for an System Support Resource (SSR) contract. However beyond the requested suspension period potential reliability issues were identified starting in 2017 that suggest the unit would be needed in the future. Therefore, under Section 38.2.7 of the MISO Open Access Transmission and Energy and Operating Reserve Markets Tariff ("Tariff"), the BREC Wilson Unit 1 could be suspended from service without the need for the generator to be designated as a System Support Resource ("SSR") unit as defined in the

Tariff. If BREC were to extend the suspension or retire the unit, then the issues that arise in the later years would require the unit be designated as an SSR if a mitigation plan could not be developed prior to the extension or retirement.

## VII. APPENDICES

### Appendix A: Steady-State AC Contingency Results

Table 1a: Branch Results

Table 1b: Voltage Results

Confidential - Do Not Release

**Intentionally Blank**

MISO Wilson 1 Attachment Y Study - Compare Branch Results  
 CONFIDENTIAL / REDACTED

Model	Contingency	Contingency Description	Limiting Element				Type	Rating	Wilson 1 Off			Wilson 1 On			Unit Impact		MISO Comments			
			**	From bus	** **	To bus			** CRT	ContMW	BaseFlw	Loading %	ContMW	BaseFlw	Loading %	WDef=		PSTDF	OTDF	
Wcen																				
20145P	2	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	67.5	60.0	100.5	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	3	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	67.5	60.0	100.5	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	16	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	67.5	60.0	101.2	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	23	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	67.5	60.0	101.2	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	26	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	67.5	60.0	101.2	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	28	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	67.5	60.0	100.5	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	29	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	67.5	60.0	100.5	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	72	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	68.3	60.0	102.4	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	31	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	67.4	60.0	101.1	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	143	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	66.9	60.0	100.3	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	587	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	67.8	60.0	101.6	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	588	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	67.9	60.0	101.8	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	589	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	67.9	60.0	101.8	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	17	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	67.4	60.0	101.1	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	16	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	66.8	59.3	100.1	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	45	[REDACTED CONTINGENCY]	248631	DBTHNTH	23C	991964	THORNTM	1.00	1	TR	67.9	87.4	48.6	120	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20145P	45	[REDACTED CONTINGENCY]	250310	DBRINHG	69.C	25C451	DBFLORAJ	69.0	1	LN	34	37.3	3.1	109.7	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20145P	45	[REDACTED CONTINGENCY]	250321	DBURRGN	69.C	25C790	DBRCKFL	69.0	1	LN	34	47.5	8.1	119.6	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20145P	45	[REDACTED CONTINGENCY]	250441	DBFFMSTJ	69.C	25C457	DBFRAK B	69.0	1	LN	100.3	112.1	57.9	111.7	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20145P	45	[REDACTED CONTINGENCY]	250451	DBFLORAJ	69.C	25C790	DBRCKFL	69.0	1	LN	34	43.5	4.5	127.9	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20145P	45	[REDACTED CONTINGENCY]	250457	DBFRAK B	69.C	25C683	DBMIDLFO	69.0	1	LN	45	87	3.3	193.4	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20145P	45	[REDACTED CONTINGENCY]	250608	DBKOK HP	69.C	25C610	DBKOHJ1	69.0	1	LN	45	129	10.1	286.7	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20145P	45	[REDACTED CONTINGENCY]	250608	DBKOK HP	69.C	25C614	DBKOZE	69.0	1	LN	65	69.7	44	107.3	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20145P	45	[REDACTED CONTINGENCY]	250610	DBKOHJ1	69.C	25C798	DBRUSIAV	69.0	1	LN	45	129.5	10.3	287.8	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20145P	45	[REDACTED CONTINGENCY]	250625	DBLAF	69.C	25C348	DBVMHNI	69.0	1	LN	45	66.8	18	148.5	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20145P	45	[REDACTED CONTINGENCY]	250683	DBMIDLFO	69.C	25C795	DBRGSVLL	69.0	1	LN	44	52.6	6.1	119.6	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20145P	45	[REDACTED CONTINGENCY]	250681	DBMIDLFO	69.C	25C798	DBRUSIAV	69.0	1	LN	44	150	9.6	340.9	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20145P	45	[REDACTED CONTINGENCY]	250795	DBRGSVLL	69.C	25C348	DBVMHNI	69.0	1	LN	45	65.8	17	146.3	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20145P	45	[REDACTED CONTINGENCY]	250847	DBTHNTH	69.C	991964	THORNTM	1.00	1	TR	69.9	84.2	47.1	120.5	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20145P	42	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	68.5	59.3	102.6	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	128	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	67.4	59.3	101	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	127	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	67.3	59.3	101	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20145P	144	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	98C229	1.00	1	TR	66.7	69.2	59.3	103.7	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20175P	321	[REDACTED CONTINGENCY]	248807	DBDOGND	69.C	248808	DBTHAUKPT	69.0	1	LN	25	28.3	27.1	113.4	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	349	[REDACTED CONTINGENCY]	250366	DBCHNTH	69.C	25C400	DBCKE TP	69.0	1	LN	71.7	81.5	9.4	113.7	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	367	[REDACTED CONTINGENCY]	249631	DBTHNTH	23C	991978	THORNTM	1.00	1	TR	69.9	84.1	48.2	120.3	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	367	[REDACTED CONTINGENCY]	250847	DBTHNTH	69.C	991978	THORNTM	1.00	1	TR	69.9	82.2	46.8	117.7	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	386	[REDACTED CONTINGENCY]	248807	DBDOGND	69.C	248808	DBTHAUKPT	69.0	1	LN	25	28.2	27.1	113	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	395	[REDACTED CONTINGENCY]	250916	DBSPHC21	69.C	991878	SPENCER	1.00	1	TR	50.4	51	45.1	101.3	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	400	[REDACTED CONTINGENCY]	249834	DBRCKVLL	138	25C773	DBRCKVLL	69.0	1	TR	25	34.4	18.3	137.5	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	400	[REDACTED CONTINGENCY]	250358	DBCLHHTJ	69.C	25C644	DBLILIRJ	69.0	1	LN	53	61	28	115.1	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	400	[REDACTED CONTINGENCY]	250579	DBMIDLFO	69.C	25C642	DBLILIRJ	69.0	1	LN	45	61	28	135.5	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	400	[REDACTED CONTINGENCY]	250695	DBMONTM	69.C	25C773	DBRCKVLL	69.0	1	LN	44	50.3	18.2	114.3	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	401	[REDACTED CONTINGENCY]	249814	DBRCKVLL	138	25C773	DBRCKVLL	69.0	1	TR	25	26.9	18.1	107.6	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	402	[REDACTED CONTINGENCY]	250876	DBWABZSC	69.C	25C874	DBWABZJ	69.0	1	LN	51	57.4	29.5	108.1	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	405	[REDACTED CONTINGENCY]	250603	DBSALISJ	69.C	25C927	DBHEMSAL	69.0	1	LN	53	54.2	47.4	102.2	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	412	[REDACTED CONTINGENCY]	249727	DBE-ENR	69.C	248798	DBTVIEWZEE	69.0	1	LN	35	37	33	105.6	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	412	[REDACTED CONTINGENCY]	248786	DBFAIRW	69.C	248798	DBTVIEWZEE	69.0	1	LN	35	26.9	32.5	105.5	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	419	[REDACTED CONTINGENCY]	250836	DBSPHC23	69.C	991878	SPENCER	1.00	1	TR	50.4	50.5	45.4	100.2	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	426	[REDACTED CONTINGENCY]	248807	DBDOGND	69.C	248808	DBTHAUKPT	69.0	1	LN	25	28.2	27.1	112.7	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	445	[REDACTED CONTINGENCY]	248807	DBDOGND	69.C	248808	DBTHAUKPT	69.0	1	LN	25	45.8	27.1	183.4	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	445	[REDACTED CONTINGENCY]	250487	DBRGTMH	69.C	25C927	DBHEMSAL	69.0	1	LN	71.7	81.7	43.3	114	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	445	[REDACTED CONTINGENCY]	250803	DBSALISJ	69.C	25C927	DBHEMSAL	69.0	1	LN	53	86.3	47.4	162.8	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	446	[REDACTED CONTINGENCY]	248807	DBDOGND	69.C	248808	DBTHAUKPT	69.0	1	LN	25	28.4	27.1	113.6	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	447	[REDACTED CONTINGENCY]	248807	DBDOGND	69.C	248808	DBTHAUKPT	69.0	1	LN	25	29.2	27.1	116.8	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	42	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	99C106	1.00	1	TR	66.7	68.8	57.2	101.2	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20175P	55	[REDACTED CONTINGENCY]	324923	ZCLHHS81	69.C	324825	ZCLHHSRU	69.0	1	TR	18	19.7	4.9	109.3	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
20175P	55	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	99C106	1.00	1	TR	66.7	74.4	57.2	111.5	#N/A	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension	
20175P	72	[REDACTED CONTINGENCY]	362116	ZKY HYDR0	69.C	99C106	1.00	1	TR	66.7	68.5									





20175H	80	[REDACTED CONTINGENCY]	325077	SCOLEMAN TAP 161 325078 SPADUCAH PRI 161 1	LN	245	258.1	186.4	105.3	233.6	171.9	97	20.5		4.91607	Violation made worse by suspension
20175H	80	[REDACTED CONTINGENCY]	340568	SBRYAN 161 340620 SHCRACK 161 1	LN	265	283.9	182.1	107.1	267.1	175.2	100.8	16.8		4.02878	Violation made worse by suspension
20175H	84	[REDACTED CONTINGENCY]	360016	SHARSHALL KY 161 360496 SC-33 161 1	LN	237.3	244.5	192.7	103	230.2	185.5	97	14.3		3.42926	Violation made worse by suspension
20175H	87	[REDACTED CONTINGENCY]	360016	SHARSHALL KY 161 360496 SC-33 161 1	LN	237.3	244.5	192.7	103	230.2	185.5	97	14.3		3.42926	Violation made worse by suspension
20175H	89	[REDACTED CONTINGENCY]	360016	SHARSHALL KY 161 360496 SC-33 161 1	LN	237.3	240.3	192.7	101.3	226.6	185.5	95.5	13.7		3.28537	Violation made worse by suspension
20175H	46	[REDACTED CONTINGENCY]	325077	SCOLEMAN TAP 161 325078 SPADUCAH PRI 161 1	LN	245	258.2	186.4	105.4	233.4	171.9	95.3	24.8		5.94724	Violation made worse by suspension
20175H	46	[REDACTED CONTINGENCY]	340618	SLIVING 161 360326 SBARKLEY HP 161 1	LN	223	287.8	95.9	129.1	243.7	79.7	109.3	44.1		10.5755	Violation made worse by suspension
20175HCentOff	33	[REDACTED CONTINGENCY]	360016	SHARSHALL KY 161 360496 SC-33 161 1	LN	237.3	238.3	189.1	100.4	#N/A	#N/A	#N/A	#N/A		#N/A	Violation caused by suspension
20175HCentOff	355	[REDACTED CONTINGENCY]	324712	28 PADUC 69.0 362116 2HY HYDRO 69.0 1	LN	20	21.3	6.1	106.5	#N/A	#N/A	#N/A	#N/A		#N/A	Violation caused by suspension
20175HCentOff	52	[REDACTED CONTINGENCY]	340568	SBRYAN 161 340620 SHCRACK 161 1	LN	265	267	178.7	100.7	252.8	171.6	95.4	14.2		3.40528	Violation made worse by suspension
20175HCentOff	52	[REDACTED CONTINGENCY]	360016	SHARSHALL KY 161 360496 SC-33 161 1	LN	237.3	275.4	189.1	116	260.5	181.6	109.8	14.9		3.57314	Violation made worse by suspension
20175HCentOff	53	[REDACTED CONTINGENCY]	340568	SBRYAN 161 340620 SHCRACK 161 1	LN	265	267.1	178.7	100.8	252.9	171.6	95.4	14.2		3.40528	Violation made worse by suspension
20175HCentOff	53	[REDACTED CONTINGENCY]	360016	SHARSHALL KY 161 360496 SC-33 161 1	LN	237.3	275.5	189.1	116.1	260.7	181.6	109.9	14.8		3.54916	Violation made worse by suspension
20175HCentOff	54	[REDACTED CONTINGENCY]	340568	SBRYAN 161 340620 SHCRACK 161 1	LN	265	267.1	178.7	100.8	252.9	171.6	95.5	14.2		3.40528	Violation made worse by suspension
20175HCentOff	54	[REDACTED CONTINGENCY]	360016	SHARSHALL KY 161 360496 SC-33 161 1	LN	237.3	275.5	189.1	116.1	260.7	181.6	109.9	14.8		3.54916	Violation made worse by suspension
20175HCentOff	62	[REDACTED CONTINGENCY]	340568	SBRYAN 161 340620 SHCRACK 161 1	LN	265	271.1	178.7	102.3	253.3	171.6	95.8	17.2		4.1247	Violation made worse by suspension
20175HCentOff	62	[REDACTED CONTINGENCY]	360016	SHARSHALL KY 161 360496 SC-33 161 1	LN	237.3	276.5	189.1	116.5	259.3	181.6	109.2	17.4		4.17266	Violation made worse by suspension
20175HCentOff	67	[REDACTED CONTINGENCY]	340618	SLIVING 161 360326 SBARKLEY HP 161 1	LN	223	276.4	88.1	123.9	230.5	71.3	103.4	45.9		11.0072	Violation made worse by suspension
20175HCentOff	80	[REDACTED CONTINGENCY]	340568	SBRYAN 161 340620 SHCRACK 161 1	LN	265	276.7	178.7	104.4	259.2	171.6	97.8	17.5		4.12664	Violation made worse by suspension
20175HCentOff	84	[REDACTED CONTINGENCY]	360016	SHARSHALL KY 161 360496 SC-33 161 1	LN	237.3	238.3	189.1	100.4	#N/A	#N/A	#N/A	#N/A		#N/A	Violation caused by suspension
20175HCentOff	87	[REDACTED CONTINGENCY]	360016	SHARSHALL KY 161 360496 SC-33 161 1	LN	237.3	238.3	189.1	100.4	#N/A	#N/A	#N/A	#N/A		#N/A	Violation caused by suspension
20175HCentOff	46	[REDACTED CONTINGENCY]	340618	SLIVING 161 360326 SBARKLEY HP 161 1	LN	223	269.8	88.1	121	223.9	71.3	100.4	45.9		11.0072	Violation made worse by suspension

Model	Contingency		Limiting Element							Wilson 1 Off			Wilson 1 On			Unit Impact	MISO Comments
	Ncon	Contingency Description	Bus #	Bus Name	KV	Area	Zone	Low Limit	Upp Limit	Cont Volt	Base Volt	Viol	Cont Volt	Base Volt	Viol	Voff-Von (>0.01)	
2014SP	479	[REDACTED CONTINGENCY]	348922	4PRINCETON	138	357	1332	0.9	1.1	0.7466	1.0297	L	0.7361	1.0297	L	0.011	pre-existing
2014SP	295	[REDACTED CONTINGENCY]	348806	4DUPO FERRY	138	357	1332	0.9	1.1	0.7801	1.0166	L	0.7646	1.0166	L	0.016	pre-existing
2017SP	207	[REDACTED CONTINGENCY]	348715	4VALMEYER	138	357	1332	0.9	1.1	0.6055	1.0082	L	0.5903	1.0082	L	0.015	pre-existing
2017SP	333	[REDACTED CONTINGENCY]	348728	4W MT VERN W	138	357	1332	0.9	1.1	0.5549	1.0307	L	0.5384	1.0307	L	0.017	pre-existing
2017SP	371	[REDACTED CONTINGENCY]	249734	08GNCSTJ	138	208	1220	0.9	1.05	0.8669	1.0038	L	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
2017SP	371	[REDACTED CONTINGENCY]	249735	08GNCSTL	138	208	1220	0.9	1.05	0.8661	0.9917	L	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
2017SP	371	[REDACTED CONTINGENCY]	249786	08LNSSTAR	138	208	1220	0.9	1.05	0.8665	0.9926	L	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
2017SP	371	[REDACTED CONTINGENCY]	249790	08LSTARJ	138	208	1220	0.9	1.05	0.8671	0.9931	L	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
2017SP	371	[REDACTED CONTINGENCY]	249897	08HANHTN	138	208	1220	0.9	1.05	0.8669	1	L	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
2017SP	405	[REDACTED CONTINGENCY]	249808	08HALBHY	138	208	1220	0.9	1.05	0.8853	1.0155	L	#N/A	#N/A	#N/A	#N/A	Violation caused by suspension
2017SPCentOff	195	[REDACTED CONTINGENCY]	348924	4KEWANEE STP	138	357	1332	0.9	1.1	1.4397	1.036	H	#N/A	#N/A	#N/A	#N/A	pre-existing
2017SPCentOff	333	[REDACTED CONTINGENCY]	348728	4W MT VERN W	138	357	1332	0.9	1.1	0.5549	1.0307	L	0.5383	1.0307	L	0.017	pre-existing
2017SPCentOff	333	[REDACTED CONTINGENCY]	348828	4W MT VERN E	138	357	1332	0.9	1.1	0.6953	1.0307	L	0.6848	1.0307	L	0.011	pre-existing
2017SHCentOff	303	[REDACTED CONTINGENCY]	348809	4COLLINSVILLE	138	357	1332	0.9	1.1	0.8012	1.0128	L	0.7907	1.0129	L	0.011	pre-existing
2017SHCentOff	316	[REDACTED CONTINGENCY]	348918	4HENNEPIN S	138	357	1332	0.9	1.1	0.2564	1.04	L	0.2339	1.04	L	0.023	pre-existing
2017SHCentOff	316	[REDACTED CONTINGENCY]	348934	4HENNEPIN N	138	357	1332	0.9	1.1	0.2564	1.04	L	0.2339	1.04	L	0.023	pre-existing

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

RECEIVED

JUL 01 2013

In the Matter of:

PUBLIC SERVICE  
COMMISSION

Application of Big Rivers Electric )  
Corporation for a General ) Case No. 2012-00535  
Adjustment in Rates )

**BIG RIVERS ELECTRIC CORPORATION'S MOTION TO STRIKE PORTIONS OF  
THE SUPPLEMENTAL TESTIMONY OF FRANK ACKERMAN**

1. Big Rivers Electric Corporation ("Big Rivers") hereby moves the Kentucky Public Service Commission (the "Commission") to strike portions of testimony from the Supplemental Testimony of Frank Ackerman (the "Supplemental Testimony") filed on behalf of Sierra Club. As grounds for its motion, Big Rivers states the following.

2. As set forth in Big Rivers' Motion to Strike filed on May 29, 2013, Dr. Ackerman's direct testimony in this proceeding relied heavily on testimony filed in a different proceeding<sup>1</sup> by his colleagues Rachel S. Wilson and William Steinhurst. Neither Ms. Wilson nor Mr. Steinhurst is a witness in the current proceeding.

3. Dr. Ackerman's Supplemental Testimony relies heavily on the work and conclusions of Ms. Wilson.

4. For the reasons set forth in Big Rivers May 29, 2013 Motion to Strike,<sup>2</sup> Big Rivers remains concerned that Dr. Ackerman's incorporation of his colleagues' prior testimony

---

<sup>1</sup> See *The Application of Big Rivers for Approval of Its 2012 Environmental Compliance Plan, for Approval of Its Amended Environmental Cost Recovery Surcharge Tariff, for Certificates of Public Convenience and Necessity, and for Authority to Establish a Regulatory Account*, Case No. 2012-00063.

<sup>2</sup> See, e.g., *Am. Beauty Homes Corp. v. Louisville and Jefferson Co. Planning and Zoning Comm.*, 379 S.W.2d 450, 456 (Ky. 1964) (parties in administrative proceedings are "entitled to procedural due process"); *Somsen v. Sanitation Dist. of Jefferson Co.*, 197 S.W.2d 410, 411 (Ky. 1946) (due process requires that a party be given "sufficient notice and opportunity to make his defense"); 16 Am.Jur.2d Const. Law § 1013 (Due process is violated where a party is not given the chance to test, explain, or refute evidence considered by the fact-finder). See also generally Motion to Strike (May 29, 2013).

from a different proceeding will violate Big Rivers' due process right to conduct a thorough and meaningful cross-examination.

5. Big Rivers recognizes that the Commission denied Big Rivers' previous Motion to Strike "on the basis of Sierra Club's representation that Dr. Ackerman will be able to answer questions about the Wilson and Steinhurst testimonies . . . ."<sup>3</sup> Big Rivers files the present motion primarily for the purposes of preserving its rights on appeal because Dr. Ackerman's Supplemental Testimony was filed after the issuance of the Commission's Order.

WHEREFORE, for the reasons set forth above, Big Rivers respectfully requests that the Commission strike the following portions of the Supplemental Testimony of Frank Ackerman Testimony: pp. 2:21-3:11; p. 4:4-7; p. 6:4-6; p. 10:7-11.

On this the 29<sup>th</sup> day of June, 2013.

Respectfully submitted,



James M. Miller  
Tyson A. Kamuf  
SULLIVAN, MOUNTJOY, STAINBACK  
& MILLER, P.S.C.  
100 St. Ann Street  
P. O. Box 727  
Owensboro, Kentucky 42302-0727  
Phone: (270) 926-4000  
Facsimile: (270) 683-6694  
jmiller@smsmlaw.com  
tkamuf@smsmlaw.com

and

---

<sup>3</sup> Order, p. 3 (June 24, 2013).

Edward T. Depp  
Dinsmore & Shohl LLP  
101 South Fifth Street  
Suite 2500  
Louisville, KY 40202  
Phone: (502) 540-2347  
Facsimile: (502) 585-2207  
tip.depp@dinsmore.com

*Counsel for Big Rivers Electric Corporation*

**Certificate of Service**

I certify that a true and accurate copy of the foregoing has been served by electronic email on this date and was or will be served by Federal Express, by hand delivery, or by first class mail, postage prepaid, upon the persons listed on the service list accompanying this petition, on the date this petition is filed with the Kentucky Public Service Commission.

On this the 29<sup>th</sup> day of June, 2013.

  
\_\_\_\_\_  
*Counsel for Big Rivers Electric Corporation*

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

Application of Big Rivers Electric )  
Corporation for a General ) Case No. 2012-00535  
Adjustment in Rates )

**RESPONSE OF BIG RIVERS ELECTRIC CORPORATION TO MOTION OF KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC. FOR LEAVE TO USE IN THE PUBLIC HEARING INFORMATION FILED UNDER SEAL BY BIG RIVERS ELECTRIC CORPORATION**

Comes Big Rivers Electric Corporation (“Big Rivers”), by counsel, and for its response to the Motion for Leave to Use in the Public Hearing Information Filed Under Seal By Big Rivers Electric Corporation (the “Motion”) filed by Kentucky Industrial Utility Customers, Inc. (“KIUC”), states as follows:

**A. FACTUAL BACKGROUND**

1. In its Responses to the Attorney General’s Initial Data Requests filed on February 28, 2013 and its Rebuttal Testimony filed on June 24, 2013, Big Rivers provided information for which it sought confidential protection (the “Confidential Information”) from the Commission.

3. By Order dated May 6, 2013, the Commission granted Big Rivers’ February 28 Petition for Confidential Treatment (the “February Confidentiality Petition”). Big Rivers’ June 24 Petition for Confidential Treatment (the “June Confidentiality Petition”) is pending.

4. Information that is the same type of information as confidential information contained in the February 28 data request responses and the June 24 Rebuttal

1 Testimony was also contained in information that Big Rivers filed under petitions for  
2 confidential treatment on or about January 15, 2013; January 29, 2013; February 15,  
3 2013; March 6, 2013; March 18, 2013; March 28, 2013; April 25, 2013; May 15, 2013;  
4 May 17, 2013; and June 24, 2013. By orders dated May 6, 2013, and April 25, 2013,  
5 respectively, the Commission granted the January 15 and January 29 petitions for  
6 confidential treatment for the types of information that KIUC wishes to publicly disclose  
7 at the hearing (projected off-system sales price projections and projected operating and  
8 maintenance and capital costs). The other petitions are still pending.

9 5. KIUC served its Motion by electronic mail at 4:30 p.m. on the Friday  
10 before the evidentiary hearing in this matter and therein requested leave to avoid 807  
11 KAR 5:001 (13)(9)(b), which provides that the Commission shall enter closed session to  
12 allow a party to engage in direct testimony and cross-examination related to confidential  
13 material.

#### 14 **B. ARGUMENT**

15 6. 807 KAR 5:001 (13)(2)(e) requires a response to a petition for  
16 confidentiality within seven (7) days after the petition is filed with the Commission. By  
17 failing to file a timely response to Big Rivers' February Confidentiality Petition, KIUC  
18 waived its opportunity to challenge that petition. KIUC took no other timely action to  
19 contest the May 6 Order.

20 7. The June Confidentiality Petition seeks protection for, among other things,  
21 production costs, financial data and metrics, projected off-system sales data, and  
22 operation and maintenance ("O&M") expenses. This is the same type of material for  
23 which the Commission has previously granted Big Rivers confidential treatment, and on

1 the same grounds. *See, e.g., In the Matter of Application of Big Rivers Electric*  
2 *Corporation for an Adjustment in Rates*, Order, P.S.C. Case No. 2012-00535 (May 6,  
3 2013) (granting confidential treatment to Big Rivers’ Financial Model, Statement of  
4 Operations, and Cost of Service Study); *In the Matter of: Application of Big Rivers*  
5 *Electric Corporation for Approval of its 2012 Environmental Compliance Plan, for*  
6 *Approval of its Amended Environmental Cost Recovery Surcharge Tariff for Certificates*  
7 *of Public Convenience and Necessity, and for Authority to Establish a Regulatory*  
8 *Account*, Letter, P.S.C. Case No. 2012-00063 (December 11, 2012) (granting confidential  
9 treatment to Big Rivers’ O&M expenses, and off-system sales and revenues); *In the*  
10 *Matter of Application of Big Rivers Electric Corporation for a General Adjustment in*  
11 *Rates*, Letter, P.S.C. Case No. 2012-00036 (December 20, 2011) (granting confidential  
12 treatment to budgets, financial model outputs, and fuel cost projections); *In the Matter of*  
13 *Application of Big Rivers Electric Corporation for a General Adjustment in Rates*, Letter,  
14 P.S.C. Case No. 2012-00036 (July 28, 2011) (granting confidential treatment to financial  
15 model outputs); *In the Matter of The 2010 Integrated Resource Plan of Big Rivers*  
16 *Electric Corporation*, Letter, P.S.C. Case No. 2010-00443 (December 21, 2010) (granting  
17 confidential treatment to fuel cost projections, revenue projections, and financial model  
18 outputs).

19 8. Although the Commission has not yet ruled on Big Rivers’ June  
20 Confidentiality Petition, the material specified therein “shall be accorded confidential  
21 treatment” while the petition is pending. 807 KAR 5:001 (13)(4). KIUC has not filed a  
22 response contesting the June Confidentiality Petition.



1           9.       Even if the Commission treats KIUC's Motion as a timely response to Big  
2 Rivers' June Confidentiality Petition, KIUC has shown no reason why the Confidential  
3 Information provided on June 24 should be accorded treatment different than what was  
4 afforded to the same types of information recognized as confidential in the Commission's  
5 April 25 and May 6 orders.

6           10.       KIUC claims that the capacity and market price forecasts that Big Rivers  
7 filed are not confidential in nature because other customers of Wood-Mackenzie, IHS  
8 Global, and ACES could purchase such information. While true, Big Rivers has relied on  
9 these projections, and public disclosure of them would reveal Big Rivers' expectation of  
10 forward prices.

11          11.       Public disclosure of the price projections would also injure Wood-  
12 Mackenzie, IHS Global, and ACES because the projections are a product they sell.

13          12.       KIUC claims that Big Rivers' projected market price projections and  
14 projected O&M expenses are not confidential. However, given that Big Rivers is  
15 actively marketing capacity that will be available due to the smelter contract  
16 terminations, it is more important than ever for Big Rivers' production costs to remain  
17 confidential. Big Rivers is also responding to requests for proposals and is negotiating  
18 with potential counterparties for power sales contracts. If these counterparties knew Big  
19 Rivers projected market prices and projected O&M costs, they would have an advantage  
20 in negotiations that they otherwise would not have. They could use the projections as a  
21 benchmark in the negotiations to Big Rivers' competitive disadvantage.

22          13.       Big Rivers also notes that KIUC claims in its June 10, 2013, petition for  
23 confidential treatment that production costs (such as energy costs) for Aleris, Domtar,

1 and Kimberly Clark are commercially sensitive and entitled to confidential protection. It  
2 is thus disingenuous to claim that production costs are not generally recognized as  
3 confidential.

4 14. Additionally, public disclosure of O&M costs and capital costs would  
5 allow suppliers of goods and services to use the projections as a benchmark, which would  
6 increase costs to Big Rivers and make Big Rivers less competitive in wholesale power  
7 and credit markets, as explained in more detail in Big Rivers' petitions for confidential  
8 treatment.

9 15. KIUC lastly claims that negotiations between Big Rivers, Century, and  
10 Alcan are no longer confidential now that Century and Alcan have terminated their  
11 contracts. However, the contracts for the Hawesville smelter have not been signed,  
12 several conditions to closing have not been satisfied, and there is not yet a contract for the  
13 Sebree smelter. KIUC acknowledges that "[t]his information was certainly confidential  
14 prior to the Smelters serving their termination notices." Nothing has changed in that  
15 regard since termination of those contracts.

16 16. Moreover, even if the Commission were to treat KIUC's Motion as a  
17 timely response to Big Rivers' June Confidentiality Petition, were to agree with KIUC's  
18 arguments, and were to deny the June Confidentiality Petition (notwithstanding its April  
19 25 and May 6 orders), the Confidential Information cannot be made public during the  
20 hearing. The Commission's rules establish that if a petition for confidential treatment is  
21 denied, the information identified in that petition "shall not be placed in the public record  
22 for twenty (20) days to allow the requesting party to petition the Commission." 807 KAR  
23 5:001 (13)(3)(f). Thus, even if the Commission were to deny the June Confidentiality

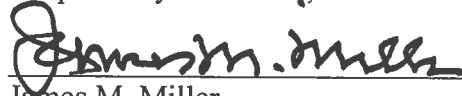
1 Petition at the hearing, Big Rivers' Confidential Information still cannot enter the public  
2 record until weeks after the hearing is complete.

3 17. Whether it is due to a lack of vigilance, or calculated procedural  
4 gamesmanship, KIUC's delay has made its requested relief impossible. Nevertheless,  
5 KIUC will not be prejudiced in any way by the continued confidential treatment of Big  
6 Rivers' Confidential Information. Big Rivers is confident that KIUC's counsel will be  
7 able to properly tailor its questions to avoid publicly disclosing Confidential Information  
8 during the hearing, and that is what the Commission should direct KIUC's counsel to do.

9 WHEREFORE, Big Rivers respectfully requests that the Commission deny  
10 KIUC's Motion.

11 On this the 29th day of June, 2013.

12 Respectfully submitted,

13   
14 \_\_\_\_\_

15 James M. Miller

16 Tyson Kamuf

17 SULLIVAN, MOUNTJOY, STAINBACK &  
18 MILLER, P.S.C.

19 100 St. Ann Street

20 P. O. Box 727

21 Owensboro, Kentucky 42302-0727

22 Phone: (270) 926-4000

23 Facsimile: (270) 683-6694

24 jmillersmsmlaw.com

25 tkamuf@smsmlaw.com

26  
27 Edward T. Depp

28 Dinsmore & Shohl LLP

29 101 South Fifth Street

30 Suite 2500

31 Louisville, KY 40202

32 Phone: (502) 540-2347

33 Facsimile: (502) 585-2207

34 tip.depp@dinsmore.com

35 Counsel for Big Rivers Electric Corporation

**Certificate of Service**

I certify that a true and accurate copy of the foregoing has been served by electronic email on this date and was or will be served by Federal Express, by hand delivery, or by first class mail, postage prepaid, upon the persons listed on the service list accompanying this response, on the date this response is filed with the Kentucky Public Service Commission.

On this the 29th day of June, 2013,

  
\_\_\_\_\_  
Counsel for Big Rivers Electric Corporation