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March 10, 2016

Via Federal Express

Hon. James W. Gardner  
Acting Executive Director  
Public Service Commission  
211 Sower Boulevard, P.O. Box 615  
Frankfort, Kentucky 40602-0615

RECEIVED

MAR 11 2016

PUBLIC SERVICE  
COMMISSION

Re: *In the Matter of: an Examination by the Public Service Commission of the Environmental Surcharge Mechanism of Big Rivers Electric Corporation for the Two-Year Billing Period Ending July 31, 2015 and the Pass Through Mechanism of its Three Member Distribution Cooperatives, PSC Case No. 2015-00320*

Dear Chairman Gardner:

Enclosed for filing in the above-referenced matter are an original and ten (10) copies of Big Rivers Electric Corporation's response to the Public Service Commission Staff's supplemental request for information. I certify that on this date, a copy of this letter and a copy of the response were served on each party of record by first-class mail.

Sincerely,



Tyson Kamuf  
Counsel for Big Rivers Electric Corporation

TAK/lm  
Enclosures

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cc: DeAnna Speed  
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**BIG RIVERS ELECTRIC CORPORATION**

**AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE  
ENVIRONMENTAL SURCHARGE MECHANISM OF  
BIG RIVERS ELECTRIC CORPORATION  
FOR THE TWO-YEAR BILLING PERIOD ENDING JULY 31, 2015  
AND THE PASS THROUGH MECHANISM  
OF ITS THREE MEMBER DISTRIBUTION COOPERATIVES  
CASE NO. 2015-00320**

**VERIFICATION**

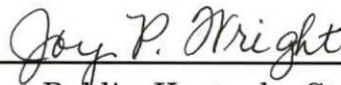
I, Nicholas R. (Nick) Castlen, verify, state, and affirm that the data request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Nicholas R. (Nick) Castlen

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON )

SUBSCRIBED AND SWORN TO before me by Nicholas R. (Nick) Castlen on this the 9 day of March, 2016.



Notary Public, Kentucky State at Large

My Commission Expires \_\_\_\_\_

Notary Public, Kentucky State-At-Large  
My Commission Expires: July 3, 2018  
ID 513528



**BIG RIVERS ELECTRIC CORPORATION**

**AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION  
OF THE ENVIRONMENTAL SURCHARGE MECHANISM  
OF BIG RIVERS ELECTRIC CORPORATION  
FOR THE TWO-YEAR BILLING PERIOD ENDING JULY 31, 2015  
AND THE PASS THROUGH MECHANISM  
OF ITS THREE MEMBER DISTRIBUTION COOPERATIVES  
CASE NO. 2015-00320**

**Response to Commission Staff's  
Supplemental Request for Information from the  
Informal Teleconference on March 8, 2016**

**March 11, 2016**

1 **Item 1)** *Refer to Big Rivers' response to Item 5a. of the Commission*  
2 *Staff's First Request for Information dated September 28, 2015. Please*  
3 *explain why Big Rivers is not requesting that any surcharge amounts be*  
4 *incorporated into its base rates.*

5  
6 **Response)** Given the volatility of the Environmental Surcharge and ongoing  
7 changes to environmental regulations continuing to impact the costs to be recovered  
8 through the mechanism, Big Rivers is not requesting that any environmental  
9 surcharge amounts be incorporated into base rates at this time. Big Rivers believes  
10 that keeping the Environmental Surcharge separate from its base rates provides  
11 better transparency for its Member Owners, allowing them and their Members (the  
12 end-use consumers) to more clearly understand what environmental regulatory  
13 charges are being included on their bills. Also, Big Rivers' Member Owners have  
14 noted their end-use consumers of electricity are extremely confused by base rate  
15 changes arising from incorporating surcharges and, consequently, associate these  
16 surcharge 'roll-ins' with permanent increases or decreases in electricity costs.

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**Witness)** Nicholas R. Castlen