

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC) CASE NO.
CORPORATION FOR A DECLARATORY) 2016-00278
ORDER)

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
THE CITY OF HENDERSON, KENTUCKY, AND THE HENDERSON UTILITY
COMMISSION D/B/A HENDERSON MUNICIPAL POWER & LIGHT

The city of Henderson, Kentucky, and the Henderson Utility Commission d/b/a Henderson Municipal Power & Light (jointly "Henderson"), pursuant to 807 KAR 5:001, are to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due on or before November 21, 2016. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

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

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, Henderson shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Direct Testimony of Gary Quick (“Quick Testimony”), page 4, lines 23–25, which state that “[e]ach party is responsible for its proportionate share of the annual net rated generating capacity expense associated with Station Two.” Confirm that this statement indicates that Henderson acknowledges it is responsible for the expenses associated with the energy produced by its reserved capacity of Station Two. If this cannot be confirmed, explain.

2. Refer to the Quick Testimony, page 5, lines 14–18.

a. Provide details of each instance in which “Big Rivers refused to allow Henderson to schedule or take its energy for sale to third parties.”

b. Explain in detail how Big Rivers “continues to deprive Henderson of energy associated with its reserved capacity. . . .”

c. Explain in detail how Henderson notifies Big Rivers of its intention to “take its energy for sale to third parties,” and when that notice is provided.

3. Refer to the Quick Testimony, page 6, lines 22–23, through page 7, lines 1–3, which state as follows: “In the event that Henderson’s reserved capacity is used to generate energy above Henderson’s native load, the energy above native load does not become ‘Excess Henderson Energy’ until and unless Henderson elects to either not schedule or not take the energy for its own use, or offer the energy for sale to third parties.”

a. Provide a detailed explanation regarding the process by which Henderson elects to either not schedule or not take for Henderson’s own use, the Station Two energy that is generated above Henderson’s native load. Include in this explanation in both words and numbers the distinction between Excess Henderson Energy, as that term is defined in the Power Sales Contract, as compared to “mere ‘excess’ or ‘surplus’ energy, which is that energy which exceeds the amount Henderson needs to serve its native load in a given period of time, but is equal to or less than the amount of energy associated with Henderson’s capacity reservation for that given period of time.”¹

b. Explain why any energy is generated above Henderson’s native load if Henderson elects to either not schedule or not take the Station Two energy above Henderson’s native load.

4. Refer to the Quick Testimony, page 7, lines 22–24. Explain whether Henderson agrees with Big Rivers’ position that Station Two Units 1 and 2 must run at a

¹ Quick Testimony, page 6, lines 19–22.

minimum of 115 MW and 120 MW, respectively, in order to maintain safe and reliable operation.

5. Refer to the Quick Testimony, page 9, lines 1–9. Provide an update of the meeting that was to take place on October 26, 2016.

6. Refer to the Quick Testimony, page 10, lines 1–3. Provide a detailed explanation for Henderson’s assertion that an issue exists as to whether Big Rivers has raised an issue that falls within the Commission’s jurisdiction over rates and service.

7. Will Henderson allow Big Rivers to idle or place in standby service one or both units of Station Two when it is uneconomical to operate the units? If not, explain why not.



Talina R. Mathews
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED NOV 03 2016

cc: Parties of Record

*Dawn Kelsey
City Attorney
City of Henderson
222 First Street
Henderson, KENTUCKY 42420

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

*Honorable John N Hughes
Attorney at Law
124 West Todd Street
Frankfort, KENTUCKY 40601

*Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42420

*H. Randall Redding
King, Deep & Branaman
127 North Main Street
P.O. Box 43
Henderson, KENTUCKY 42419

*Sharon W Farmer
King, Deep & Branaman
127 North Main Street
P.O. Box 43
Henderson, KENTUCKY 42419