

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF:

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

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REPLY OF CITY OF HENDERSON, KENTUCKY, AND  
HENDERSON UTILITY COMMISSION, d/b/a  
HENDERSON MUNICIPAL POWER & LIGHT,  
TO BIG RIVERS ELECTRIC CORPORATION'S  
RESPONSE TO MOTION TO COMPEL

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The City of Henderson, Kentucky, and the Henderson Utility Commission, d/b/a Henderson Municipal Power & Light (jointly referenced hereinafter as "Henderson"), file this reply to the response of Big Rivers Electric Corporation (hereinafter "Big Rivers") to Henderson's motion to compel responses to Request Nos. 10 and 11 of Henderson's Request for Information.

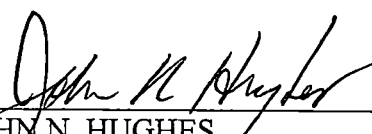
The contractual relationship between Big Rivers and the Midcontinent Independent System Operation Inc. (hereinafter "MISO"), and the purported authority under which Big Rivers entered into that relationship on behalf of Henderson, appear to bear directly upon Big Rivers' claim that Excess Henderson Energy must be generated and must be sold into the MISO market. Big Rivers suggested as much when it introduced testimony concerning that relationship into the proceeding before the Commission.

Big Rivers has acknowledged that the contracts between Big Rivers and Henderson require that the Station Two Units operate continuously so as to generate the minimum amount of energy necessary to ensure safe and reliable operation (See Big Rivers' response to Item No. 7

of Henderson's Request for Information, and Page 11 of the testimony of Big Rivers CEO Robert Berry, attached as Exhibit 10 to Big Rivers' Application for a Declaratory Order). Henderson has never advised Big Rivers that Big Rivers has an obligation to generate "Excess Henderson Energy" as defined in Section 3.8 of the Power Sales Contract, as amended. If Big Rivers has entered into a relationship with MISO that imposes upon Big Rivers an obligation to generate energy related to Henderson's reserved capacity, and has done so absent Henderson's authorization and over Henderson's objection, then Henderson is entitled to discover that information. The origins of the contractual relationship between Big Rivers and MISO, the authority under which Big Rivers claimed to have been a Market Participant on behalf of Henderson, and the contractual provisions that have a direct or indirect impact on Henderson, are relevant to the proceeding insofar as they relate to requirements for generating Henderson's energy, and the assignment of responsibility for variable costs associated with that generation.

For the reasons set forth herein, Henderson respectfully requests that the Commission grant its motion to compel Big Rivers to respond to Request Nos. 10 and 11 of Henderson's Request for Information.

Respectfully submitted,



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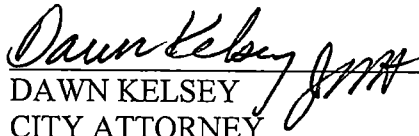
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**CERTIFICATE OF SERVICE**

I hereby certify that a true and exact copy of the foregoing was forwarded this 5<sup>th</sup> day of September, 2016, via U.S. Mail, postage prepaid, or via facsimile, electronic mail, and/or hand delivery, to the following:

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