

Tyson Kamuf Attorney tkamuf@smsmlaw.com

Skill. Integrity. Efficiency.

October 5, 2016

Dr. Talina R. Mathews Executive Director Public Service Commission 211 Sower Boulevard, P.O. Box 615 Frankfort, Kentucky 40602-0615 RECEIVED

OCT 6 2016

PUBLIC SERVICE COMMISSION

Re: Filing of Agreement for the Purchase and Sale of Firm Capacity and Energy between Big Rivers Electric Corporation and the Kentucky Municipal Energy Agency, Case No. 2016-00306

Dear Dr. Mathews:

Enclosed for filing in the above-referenced matter are an original and ten (10) copies of: (i) Big Rivers Electric Corporation's Responses to the First Requests for Information filed by the Kentucky Public Service Commission Staff and Kentucky Industrial Utility Customers, Inc.; and (ii) a petition for confidential treatment. I certify that on this date, a copy of this letter, a copy of the responses, and a copy of the petition were served on each of the persons listed on the attached service list by first class mail.

Sincerely,

Tyson Kamuf

Counsel for Big Rivers Electric Corporation

TAK/abg

Enclosures

cc: Service List

Service List Case No. 2016-00306

Micheal L. Kurtz, Esq. Kurt J. Boehm, Esq. Jody Kyler Cohn, Esq. BOEHM, KURTZ & LOWRY 36 East Seventh Street, Suite 1510 Cincinnati, Ohio 45202

ORIGINAL



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OCT 6 2016

PUBLIC SERVICE COMMISSION

Your Touchstone Energy® Cooperative

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

| FILING OF AGREEMENT FOR THE PURCHASE AND SALE OF FIRM CAPACITY AND ENERGY BETWEEN BIG RIVERS ELECTRIC CORPORATION AND THE KENTUCKY MUNICIPAL ENERGY AGENCY |)))) | Case No. 2016-00306 |
|--|---------|------------------------|
|--|---------|------------------------|

Response to Commission Staff's Initial Request for Information Dated September 26, 2016

FILED: October 6, 2016

ORIGINAL

FILING OF AGREEMENT FOR THE PURCHASE AND SALE OF FIRM CAPACITY AND ENERGY BETWEEN BIG RIVERS ELECTRIC CORPORATION AND THE KENTUCKY MUNICIPAL ENERGY AGENCY CASE NO. 2016-00306

Response to Commission Staff's Initial Request for Information dated September 26, 2016

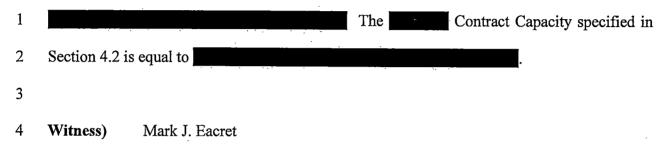
October 6, 2016

| 1 | Item 1) Refer to the Agreement for the Purchase and Sale of Firm Capacity and |
|----|---|
| 2 | Energy between Big Rivers Electric Corporation and the Kentucky Municipal Energy |
| 3 | Agency ("KyMEA") dated July 13, 2016, ("Agreement") page 9. Section 3.4 states, |
| 4 | "Buyer will sell, and the KyMEA Members will purchase, the full Capacity and Energy |
| 5 | requirements of such KyMEA Members where the reasonably projected collective |
| 6 | annual peak demand for calendar year 2019 of the KyMEA Members under such |
| 7 | executed agreements is at least 200 MW." Reconcile this amount of capacity with the |
| 8 | amount of Contract Capacity shown in Section 4.2 of the Agreement. |
| 9 | |
| 10 | Response) Section 3.4 describes an Agreement contingency under which a sufficient |
| 11 | number of KyMEA Members must enter into All Requirements Agreements (AR Agreements) |
| 12 | with the KyMEA. KyMEA had estimated the reasonably projected collective annual peak |
| 13 | demand for calendar year 2019 of the KyMEA Members expected to enter into such AR |
| 14 | Agreements to be slightly greater than section 3.4 sets the minimum sum of such |
| 15 | demand to be 200 MW as a condition of the obligations of the Parties under the Agreement. |
| 16 | |
| 17 | |

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| 1 | Item 2) | State whether KyMEA intends to purchase power from entities other than |
|----|----------------------------|--|
| 2 | Big Rivers. | |
| 3 | | |
| 4 | Response) | It is the understanding of Big Rivers that KyMEA intends to purchase power |
| 5 | from entities | other than Big Rivers. To Big Rivers' knowledge, KyMEA has not publicly |
| 6 | released any | information about the initial composition of its power portfolio; however, Paducah |
| 7 | Power System | n has announced that it will provide between 30 MW and 104 MW to KyMEA for |
| 8 | ten years ¹ and | d Illinois Power Marketing Company has announced a conditional three-year 100 |
| 9 | MW wholesa | ale power purchase agreement with KyMEA beginning June 1, 2019.2 Various |
| 10 | articles and w | vebsites in some of the various KyMEA cities have published similar information. |
| 11 | | |
| 12 | Witness) | Mark J. Eacret |

¹ http://paducahpower.com/wp-content/uploads/2012/05/August-2016.pdf

² http://www.dynegy.com/investors/presentations-events, page 36 of the Second Quarter 2016 Review presentation, and http://fpb.cc/news-and-updates/2016/7/22/kentucky-municipal-energy-agency-kymea

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- 1 Item 3) Provide the name and associated load of each KyMEA Member who would
- 2 be served by power provided by Big Rivers under the Agreement.

3

- 4 Response) The table below presents information on the KyMEA members which Big Rivers
- 5 believes will be served under All Requirements Agreements with the KyMEA. Load
- 6 information was found in the Kentucky Utilities Company 2015 Form 1, page 310.

| City | 2015 Average Non- | 2015 Energy (MWh) |
|--------------|------------------------|-------------------|
| | Coincident Demand (MW) | |
| Barbourville | 17 | 92,880 |
| Bardwell | 2 | 8,952 |
| Benham | 2 | 3,273 |
| Corbin | 16 | 82,728 |
| Falmouth | 3 | 19,699 |
| Frankfort | 121 | 712,264 |
| Madisonville | 49 | 300,870 |
| Paris | 12 | 62,801 |
| Providence | 5 | 30,189 |
| Total | 227 | 1,313,656 |

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1

2 Witness)

Mark J. Eacret