COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

2017 INTEGRATED RESOURCE PLAN OF BIG)CASE NO.RIVERS ELECTRIC CORPORATION)2017-00384

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO BIG RIVERS ELECTRIC CORPORATION

Big Rivers Electric Corporation (BREC), pursuant to 807 KAR 5:001, is 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 September 14, 2018. 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.

BREC 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 BREC fails or refuses to furnish all or part of the requested information, BREC 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 document containing personal information, BREC shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the document so that personal information cannot be read.

 Refer to BREC's 2017 Integrated Resource Plan (IRP), Chapter 2, Section
2.1, page 23, fifth bullet point. Explain how BREC plans to increase its portfolio diversity in terms of resource generation.

2. Refer to the IRP, chapter 3, Section 3.9, page 44. Explain whether BREC has established a timeline for deciding the ultimate disposition of the Coleman Station.

3. Refer to the 2017 IRP, page 99, regarding the clean air regulations. Provide the number and value of all Phase 1 and Phase 2 allowances by unit from 2016 through the known future.

4. Refer to the IRP, Chapter 6, Section 6.7, page 104, Table 6.5. Explain under what circumstances in which BREC would be required to incur the cost for CCR/ELG compliance costs for Henderson Municipal Power and Light (HMP&L) Station Two given BREC's current request to terminate the contract with the City of Henderson.

5. Refer to BREC's response to Commission Staff's First Request for Information (Staff's First Request), Item 2.

a. Expand upon the opportunities available to BREC upon the

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completion of the Duff-Coleman transmission line.

b. Provide all the steps BREC would take to procure customers within the PJM Interconnection, LLC (PJM) footprint after the Duff-Coleman transmission line has been completed.

c. Identify any contracts that have been executed with any customers within PJM as well as any contractual negotiations in process. Consider this an ongoing request throughout this proceeding.

6. Refer to BREC's response to Staff's First Request, Item 5a.

a. Provide the annual revenues resulting from BREC's participation in the MISO market and the annual expenses paid by BREC to MISO from 2013 to 2017.

b. Explain the hedging strategy developed by BREC.

c. Explain when BREC expects a long-term contract to be put in place following the implementation of a hedging strategy.

d. Explain the difference between the physical and financial hedges used by BREC.

7. Refer to BREC's response to Staff's First Request, Item 5b.

a. Provide examples of the developing opportunities resulting in efficiency benefits that BREC has been examining for the future.

b. Explain how BREC has incorporated these possible opportunities as part of its future load forecasting.

c. Explain if BREC anticipates the charging of electric cars as having an impact on future load. If so, provide the expected impact.

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d. In Case No. 2018-00236,¹ BREC on behalf of itself and two of its three-member distribution cooperative-owners are requesting to withdraw or revise certain existing energy efficiency (EE) and demand-side management (DSM) programs and tariffs.

Confirm that the 2017 IRP filing does not contain the EE and
DSM assumptions associated with Case No. 2018-00236.

(2) Explain the impact this case will have on this IRP.

8. Refer to BREC's response to Staff's First Request, Item 7, regarding the replacement load and the attached table. Provide a schedule showing the source of the generation and the use of the generation as depicted in the table for the years 2019 through 2024.

9. Refer to BREC's response to Staff's First Request, Item 8. Explain whether any of the rate scenarios were included in the IRP.

10. Refer to BREC's response to Staff's First Request, Item 9. Explain whether BREC has any plans to expand its amount of hydro-power generation over the next ten years.

11. Refer to BREC's response to Staff's First Request, Item 10. Provide an explanation for the difference between the expected and measured AC Energy for January through March 2018 as illustrated in the graph.

12. Refer to BREC's response to Staff's First Request, Item 11. Provide an explanation for the Monthly Non-Member Load decrease in February 2018.

¹ Case No. 2018-00236, *DSM Filing of Big Rivers Electric Corporation on behalf of Itself, Jackson Purchase Energy Corporation, and Meade County Rural Electric Cooperative Corporation and Request to Establish a Regulatory Liability* (Ky. PSC filed July 9, 2018).

Refer to BREC's response to Staff's First Request, Item 19, and the Sargent
& Lundy Environmental Compliance Study.

a. Explain why BREC commissioned Sargent & Lundy to prepare this study.

b. The study is dated February 2012. Explain how the portion of the study that pertains to the Coleman Station is still relevant six years later, specifically with regard to the cost of controls.

14. Refer to BREC's response to Staff's First Request, Item 22. State any instances in which BREC failed to meet these environmental compliance programs since 2014. For each instance, explain how BREC failed to meet the standards, how BREC remedied the issue, and the steps taken by BREC to remain in compliance.

15. Refer to BREC's response to Staff's First Request, Item 23 in reference to The Plexos Model-An Overview. Provide a detailed explanation about what impact, if any, that Case No. 2018-00236, if approved by the Commission, will have on the results of the Plexos model used in the IRP. If no impact, explain why not.

16. Refer to BREC's response to Staff's First Request, Items 35 and 38. Also, refer to BREC's response to Commission Staff's First Request for Information, Item 12 in Case No. 2014-00166.²

a. Explain whether the economic development rate underwent any revisions since the 2014 IRP.

b. If so, provide the revisions and explain why BREC decided to implement those changes.

² Case No. 2014-00166, *2014 Integrated Resource Plan of Big Rivers Electric Corporation* (Ky. PSC Dec. 22, 2015).

c. Explain how BREC is promoting the economic development rate to new and existing customers.

17. Refer to BREC's response to Staff's First Request, Item 37.

a. Explain how transmission losses are forecasted.

b. Explain why transmission losses increased in 2016 and 2017 relative to the preceding years.

18. Refer to Big River's response to Staff's First Request, Item 42. The table indicates that approximately 60 percent of the sales previously associated with the smelters is projected to be absorbed by growth and non-member sales. Explain what BREC is projecting will happen with the remaining 40 percent.

19. Refer to BREC's response to Staff's First Request, Item 47.

a. Explain how applicable the Illinois Technical Reference Manual is to the BREC system.

b. Include any modifications made to better apply the Illinois Technical Reference Manual information to that of BREC's information

20. Refer to Big River's response to Staff's First Request, Item 55. Provide examples of the assistance that Big Rivers' has given to its industrial customers in order to help with improving the EE in their facilities.

21. Refer to BREC's response to the Attorney General's First Request for Information (Attorney General's First Request), Item 2.

a. Provide a copy of the associated contract.

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b. Confirm this is the same contract referred to in BREC's response to the Attorney General's First Request, Item 4.

22. Refer to BREC's response to the Attorney General's First Request, Item 7.d. Explain how the stay of the Clean Power Plan is a significant unknown with regard to the future plans of the Coleman Station.

23. Refer to BREC's response to the Attorney General's First Request, Item 8. BREC states that it intends to keep Reid Unit 1 idled through 2032 but also states that the remaining expected lifespan would be calculated using an expected retirement date of 2025. Reconcile the difference between these two dates.

24. Refer to BREC's response to Ben Taylor and the Sierra Club's Initial Request for Information, Item 15. Expand upon why BREC believes the modeling results would be similar if BREC modeled scenarios with lower MISO market capacity prices.

~ R. Purson

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