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RECEIVED

JUN 18 2018

PUBLIC SERVICE
COMMISSION

VIA OVERNIGHT MAIL

June 15, 2018

Gwen R. Pinson, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: Case Nos. 2018-00146

Dear Ms. Pinson:

Please find enclosed the original and ten (10) copies of KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC. FIRST SET OF DATA REQUESTS TO BIG RIVERS ELECTRIC CORPORATION for filing in the above-referenced matter.

By copy of this letter, all parties listed on the Certificate of Service have been served. Please place this document of file.

Very Truly Yours,



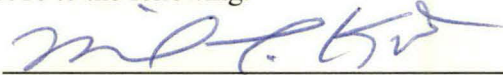
Michael L. Kurtz, Esq.
Kurt J. Boehm, Esq.
Jody Kyler Cohn, Esq.
BOEHM, KURTZ & LOWRY

MLKkew
Attachment

cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by electronic mail (when available) or by regular, U.S. mail, unless otherwise noted, this 15th day of June, 2018 to the following:



Michael L. Kurtz, Esq.

Kurt J. Boehm, Esq.

Jody Kyler Cohn, Esq.

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Big Rivers Electric Corporation
201 Third Street
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Tyson Kamuf, Corporate Attorney
Big Rivers Electric Corporation
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P. O. Box 24
Henderson, KY 42420

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JUN 18 2018

**PUBLIC SERVICE
COMMISSION**

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In The Matter Of: Notice of Termination of Contracts and : Case No. 2018-00146
Application of Big Rivers Electric Corporation for a Declaratory :
Order and for Authority to Establish a Regulatory Asset :

**KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.'s
FIRST SET OF DATA REQUESTS
TO
BIG RIVERS ELECTRIC CORPORATION**

Dated: June 15, 2018

DEFINITIONS

1. "Document(s)" is used in its customary broad sense and includes electronic mail and all written, typed, printed, electronic, computerized, recorded or graphic statements, memoranda, reports, communications or other matter, however produced or reproduced, and whether or not now in existence, or in your possession.
2. "Correspondence" is used in its customary broad sense and includes electronic email, including all attachments, and all written mail, messages and communications between the persons or parties named in the request.
3. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion whether preliminary or final, and whether or not referred to in Big Rivers' direct testimony.
4. If any document requested herein was at one time in existence, but has been lost, discarded or destroyed, identify such document as completely as possible, including the type of document, its date, the date or approximate date it was lost, discarded or destroyed, the identity of the person (s) who last had possession of the document and the identity of all persons having knowledge of the contents thereof.
5. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
6. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.
7. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number of code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Company's possession or subject to its control, state what disposition was made of it.
8. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
9. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
10. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.
11. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.
12. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.
13. "BREC" or "Big Rivers" means Big Rivers Electric Corporation and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.
2. These interrogatories are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Kentucky Industrial Utility Customers. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.
3. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.
4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.
6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.
8. Responses to requests for revenue, expense and rate base data should provide data on the basis of Total Company as well as Intrastate data, unless otherwise requested.

**FIRST SET OF DATA REQUESTS OF
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.
TO BIG RIVERS ELECTRIC CORPORATION
Case No. 2018-00146**

- Q.1-1. Provide a copy of each Station Two purchased power contract cited in the Application in this proceeding.
- Q.1-2. Provide a copy of each Station Two service contract related to Big Rivers' operation of Station Two cited in the Application in this proceeding.
- Q.1-3. Provide all memos and other documents provided to the Big Rivers' Board of Directors regarding the establishment of an \$89.6 million regulatory asset associated with the termination of the Station Two purchased power contracts cited in the Application in this proceeding versus a write-off of the \$89.6 million.
- Q.1-4. Provide all studies or other analysis prepared by Big Rivers or on its behalf regarding the financial implications of writing off the \$89.6 million associated with the termination of the Station Two purchased power contracts in lieu of establishing a regulatory asset.
- Q.1-5. Provide all memos and other documents provided to the Big Rivers' Board of Directors regarding the expiration and/or termination of the Station Two contracts.
- Q.1-6. Provide Big Rivers most recent long term financial forecast and financial model in live Excel spreadsheet format with all formulas intact.
- Q.1-7. Provide Big Rivers most recent Board policy regarding the appropriate level of member equity.
- Q.1-8. Provide the calculation of Big Rivers minimum equity level under each of its loan agreements at December 31, 2017 and at the end of each month thereafter for which actual information is available. Cite to the specific relevant provisions of each loan agreement.
- Q.1-9. If Big Rivers continues to operate Station Two until May 31, 2019, provide the calculation of Big Rivers projected minimum equity level under each of its loan agreements. Cite to the specific relevant provisions of each loan agreement.
- Q.1-10. Provide the Station Two fixed expenses by RUS account (operation and maintenance expense by RUS O&M expense account, A&G expense by RUS A&G expense account, property tax expense, depreciation expense, interest expense, TIER, etc.) that are currently being recovered in base rates.
- Q.1-11. Provide the Station Two fixed expenses RUS account (operation and maintenance expense by RUS O&M expense account, A&G expense by RUS A&G expense account, property tax expense, depreciation expense, interest expense, TIER, etc.) recorded on Big Rivers accounting books in each year 2016 and 2017 and for the twelve months ending May 2018.
- Q.1-12. Describe the Big Rivers accounting for Station Two capital expenditures and explain why Big Rivers records such capital expenditures in electric plant in service on its accounting books.
- Q.1-13. Describe the Big Rivers accounting for Station Two service revenues billed to HMP&L and the operating expenses incurred on behalf of and recovered from HMP&L. In your response, address the service revenues from HMP&L for recovery of Big Rivers' overheads, such as A&G expenses.

- Q.1-14. Indicate whether Big Rivers has an ownership interest and/or title to the Station Two physical assets associated with the cost recorded in electric plant in service on its accounting books. If so, provide a detailed description of the ownership interest and/or title.
- Q.1-15. Indicate whether the Big Rivers ownership interest and/or title to the Station Two physical plant, if any, will survive the termination of the Station Two purchased power contracts cited in the Application in this proceeding. If so, provide a detailed description and cite to the relevant portions of each purchased power contract.
- Q.1-16. Indicate whether Big Rivers has the right and/or obligation to transfer the ownership interest and/or title to the physical plant and/or demand reimbursement for the net book value or some other valuation of those assets from HMP&L upon termination of the Station Two contracts. Cite to and provide copies of the relevant provisions of each contract in your response.
- Q.1-17. For Big Rivers' share of Station Two, please provide the FDE Non-Labor costs and the FDE Labor costs that are currently being recovered in base rates. Please provide this information in the same format as Confidential Exhibit Berry Rebuttal-2 in Case No. 2012-00535.
- Q.1-18. Provide the deferred depreciation regulatory asset for Coleman plant at the end of each month from December 2016 through the most recent month for which actual information is available.
- Q.1-19. Provide the deferred depreciation regulatory asset for Wilson plant at the end of each month from December 2016 through the most recent month for which actual information is available.
- Q.1-20. Provide the gross plant and accumulated depreciation for Coleman plant at the end of each month from December 2016 through the most recent month for which actual information is available.
- Q.1-21. Provide the gross plant and accumulated depreciation for Wilson plant at the end of each month from December 2016 through the most recent month for which actual information is available.
- Q.1-22. Provide the monthly Coleman plant depreciation expense from January 2016 through the most recent month for which actual information is available.
- Q.1-23. Provide the monthly Wilson plant depreciation expense from January 2016 through the most recent month for which actual information is available.
- Q.1-24. Provide the gross plant and accumulated depreciation for each of Big Rivers generating plants, including Station Two, but excluding Coleman, and Wilson, at the end of each month from December 2016 through the most recent month for which actual information is available.
- Q.1-25. Please confirm that the 1.10 minimum MFIR that Big Rivers must maintain for each fiscal year under its loan agreements can be adjusted to exclude non-recurring charges to income, including impairment loss writeoffs due to the non-recoverability of assets or expenses.
- Q.1-26. For each of the last ten years, provide the average price of power in total and by component (e.g. energy, demand, FAC, environmental surcharge and all other riders) for service to the Rural Class and Large Industrial Class.
- Q.1-27. Provide the number of Rural customers and the number of Large Industrial customers at December 31, 2017. List each of the Large Industrial customers.
- Q.1-28. Provide the annual actual and projected revenues that Big Rivers received or projects that it will receive from the Missouri Municipal transaction, the Nebraska Public Power transaction and the sale to KMEA for the years 2017 through 2026.

Q.1-29. Provide the patronage capital account balances at Big Rivers at December 31, 2107 for Domtar and Kimberley Clark.

Respectfully submitted,



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**COUNSEL FOR KENTUCKY INDUSTRIAL
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June 15, 2018