

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BIG RIVERS)	
ELECTRIC CORPORATION FOR APPROVAL)	
TO MODIFY ITS MRSM TARIFF, CEASE)	CASE NO.
DEFERRING DEPRECIATION EXPENSES,)	2020-00064
ESTABLISH REGULATORY ASSETS,)	
AMORTIZE REGULATORY ASSETS, AND)	
OTHER APPROPRIATE RELIEF)	

COMMISSION STAFF'S THIRD 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 an electronic version of the following information. The information requested herein is due on within 15 days of the date of this request. The Commission directs BREC to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085¹ regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. All responses in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

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 the 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 that 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 shall 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 applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, BREC 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 BREC's Response to Commission Staff's Second Request for Information (Staff's Second Request), Attachment to Item 1(b). Provide more specific detail for the proposed annual filing formats of BREC's New TIER Credit that includes the calculation of the Times Interest Earned Ratio (TIER), amortization amounts, and the remaining regulatory asset balance.

2. Refer to BREC's response to Staff's Second Request, Item 2.
 - a. Provide BREC's response if, in lieu of annually adjusting the amortization of the Smelter Loss Mitigation Regulatory Assets, the Commission required BREC to defer excess margins to a regulatory liability account and reduce the regulatory liability in years that BREC does not achieve at least a 1.30 TIER.
 - b. Describe any difficulties that BREC foresees if a regulatory liability account is utilized.
 - c. Explain any advantage that annually adjusting the amortization of the Smelter Loss Mitigation Regulatory Assets would provide over utilizing a regulatory liability account.
3. Refer to BREC's Response to Staff's Second Request, Item 3. State whether the existing infrastructure at the site of Coleman Station would make it ideal for potential future generation facilities.
4. Refer to BREC's Response to Staff's Second Request, Item 3. Describe the estimated value of the site of Coleman Station after demolition.
5. Refer to BREC's Response to Staff's Second Request, Item 4. Describe the potential or anticipated impacts of the COVID-19 Crisis on the timing and conditions of refinancing planned in the instant case.
6. Refer to BREC's response to Staff's Second Request, Item 7(b). Provide the amounts expended during the past three calendar years and the anticipated expense for the next three calendar years for the following items:
 - a. Employer retirement contributions for employees participating in more than one retirement benefit program;

- b. Supplemental Executive Retirement Program expenses;
- c. Life insurance premiums for coverage above the lesser of an employee's annual salary or \$50,000;
- d. All fuel adjustment clause (FAC) and environmental surcharge (ES) revenue and expense;
- e. Any nonregulated activities;
- f. All nonutility property and related property taxes; and
- g. For board of directors:
 - (1) Per diems for attending industry association meetings;
 - (2) Costs of health insurance coverage;
 - (3) Costs of post-retirement benefits;
 - (4) Costs of Christmas gifts;
 - (5) Cost of insurance for spouses or dependents of deceased directors; and
 - (6) Any costs for a director's spouse.

7. Provide the percent of annual employer and employee contributions for health insurance between 2014 and 2019, breaking out the contribution percentages between single and family policies.

8. Refer to BREC's response to Staff's Second Request, Item 9. Explain whether BREC believes the New TIER Credit should be credited seasonally, either for the Member Cooperatives' residential customers or for all customers.

9. Refer to BREC's response to Staff's Second Request, Item 10(b). Explain whether BREC is aware of any circumstances that would result in BREC's Margins for

Interest Ratio (MFIR) being lower than its TIER so that using TIER to calculate the New TIER Credit would result in BREC's MFIR being below its debt covenant requirements.



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Public Service Commission
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DATED MAY 07 2020

cc: Parties of Record

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