



201 Third Street  
P.O. Box 24  
Henderson, KY 42419-0024  
270-827-2561  
www.bigrivers.com

November 13, 2013

**Via FedEx Overnight Delivery**

Mr. Jeff Derouen  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

RECEIVED  
NOV 14 2013  
PUBLIC SERVICE  
COMMISSION

***In the Matter of:***

*Joint Application of Kenergy Corp. and Big Rivers Electric Corporation  
For Approval of Contracts and for a Declaratory Order –  
Case No. 2013-00221*

Dear Mr. Derouen:

Big Rivers Electric Corporation (“Big Rivers”) hereby files an original and five (5) copies of its quarterly update in response to Ordering Paragraph No. 5 of the Commission’s Order, dated August 14, 2013, in the aforementioned docket.

Please confirm the Commission’s receipt of this information by having the Commission’s date stamp placed on the enclosed additional copy and returning to Big Rivers in the self-addressed, postage paid envelop provided.

I certify that on this date, a copy of this letter and a copy of the quarterly update were sent to each of the persons on the attached service list by first-class U.S. postage.

Should you have any questions about this matter, please contact me.

Sincerely yours,

Billie J. Richert, CPA, CITP  
Vice President Accounting, Rates and CFO

C: DeAnna M. Speed

Service List  
PSC Case No. 2013-00221

Jennifer B. Hans  
Lawrence W. Cook  
Dennis G. Howard, II  
Assistant Attorneys General  
1024 Capital Center Dr.  
Suite 200  
Frankfort, KY 40601

Michael L. Kurtz, Esq.  
Kurt J. Boehm, Esq.  
Boehm, Kurtz & Lowry  
36 E. Seventh St., Suite 1510  
Cincinnati, Ohio 45202

Bernard F. Lovely, Jr.  
Bowles Rice LLP  
Suite 1700  
333 West Vine Street  
Lexington, KY 40507

Michael Early  
Corporate Energy Director  
Century Aluminum  
1300 SW Fifth Avenue, Suite 1750  
Portland, Oregon 97201

Robert A. Weishaar, Jr.  
McNees Wallace & Nurick LLC  
777 N. Capitol St., NE  
Suite 401  
Washington, DC 20002-4292

David Brown, Esq.  
Stites & Harbison, PLLC  
400 W. Market Street  
Suite 1800  
Louisville, KY 40202

G. Kelly Nuckols  
President and CEO  
Jackson Purchase Energy Corporation  
2900 Irvin Cobb Drive  
P.O. Box 4030  
Paducah, KY 42002-4030

Melissa D. Yates  
Denton & Keuler, LLP  
555 Jefferson Street  
Suite 301  
Paducah, KY 42001

Burns Mercer  
Meade County RECC  
1351 Hwy. 79  
P.O. Box 489  
Brandenburg, Kentucky 40108

Thomas C. Brite, Esq.  
Brite & Hopkins, PLLC  
83 Ballpark Road  
Hardinsburg, KY 40143

Gregory Starheim  
President & CEO  
Kenergy Corp.  
3111 Fairview Drive  
P.O. Box 1389  
Owensboro, KY 42302-1389

J. Christopher Hopgood, Esq .  
318 Second Street  
Henderson, Kentucky 42420

**BIG RIVERS ELECTRIC CORPORATION**

**JOINT APPLICATION OF KENERGY CORP. AND  
BIG RIVERS ELECTRIC CORPORATION  
FOR APPROVAL OF CONTRACTS AND  
FOR A DECLARATORY ORDER  
CASE NO. 2013-00221**

**Response to Commission Order dated August 14, 2013  
Ordering Paragraph 5**

**November 14, 2013**

1 **Ordering Paragraph 5) *Big Rivers and Kenergy shall individually file***  
2 ***within 45 days of the end of each calendar quarter a report detailing the***  
3 ***revenues and expenses incurred by each in connection with each***  
4 ***component of the Century Transaction Agreements.***

5

6 **Response) Attached hereto is Big Rivers report for the calendar quarter ending**  
7 **September 30, 2013. Please note that this initial quarterly report is for the period**  
8 **from August 20, 2013, through and including September 30, 2013.**

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10

11 **Respondent) Billie J. Richert**

12

**Big Rivers Electric Corporation**

**Case No. 2013-00221**

**Century Transaction Agreements Revenue and Expense Detail**

**(Big Rivers Invoiced to Kenergy) <sup>1</sup>**

**For the Quarter Ended September 30, 2013 <sup>2</sup>**

**ELECTRIC SERVICE AGREEMENT/ARRANGEMENT AND PROCUREMENT AGREEMENT**

**Applicable Section of Agreement**

	<u>Amount</u>
<b>4.2</b> <b>Applicable RTO Charges</b>	
<b>4.2.1/4.2.3/4.2.5</b> MISO settlement Statement Activity	
BR_CENTAO Settlement Statements	
BREC A0 Settlements Statements Activity attributable to BREC.CENTURY	
ZRC attributable to BREC.CENTURY	
FTR/ARR attributes to BREC.CENTURY	
<b>4.2.2</b> Transmission Services (AREF#NL1314)	\$ 15,067,224.05
<b>4.2.4</b> Transmission Upgrades (Sch 26A)	
Bilateral Activity	\$ 20,773.96
Excess Reactive Demand	\$ (180,442.57)
Retail Fee (ESA only)	\$ 1,061,495.54
<b>4.3</b>	\$ 91,815.13
<b>4.4</b>	
<b>4.5</b>	\$ 1,073.68

**ARRANGEMENT AND PROCUREMENT AGREEMENT**

**Applicable Section of Agreement**

<b>4.5</b>	<b>Other Amounts: FOR ANY BILLING MONTH</b>	
	4.5.1 Costs arising from any tax liability of Big Rivers Resulting from Surplus Sales	
	4.5.2 Costs arising under Section 10.2 relating to compliance with Applicable Laws relating to the environment.	
	4.5.3 Costs arising under Section 10.3 relating to compliance with Hedging Arrangements.	
	4.5.4 Costs arising from a requirement to pay invoices from the applicable RTO or ISO on a frequency greater than the periodicity set forth in Section 5.1	
	4.5.5 Costs arising under Section 3.1.3 relating to the appointment of a new Market Participant.	
	4.5.6 Charges for any other services required to be purchased by Big Rivers to provide the services hereunder to Kenergy for the benefit of Century, including any energy advisory services for scheduling, awards and settlements (including such services provided by ACES (formerly ACES Power Marketing)).	
	4.5.7 Costs associated with the Hawesville Node exiting an RTO or ISO in connection with an election made by Big Rivers or Century pursuant to Section 3.5.2	
	4.5.8 The Excess Energy Rate multiplied by the amount of Energy in excess of 492MW in any Hour.	
	4.5.9 The cost of one-quarter (0.25) full-time-equivalent employee of Big Rivers, to assist in the administration	
	4.5.10 Other out-of-pocket Costs payable to Big Rivers to another Person that are incurred or committed to by Big Rivers in connection with or arising out of the Transaction, including (a) Indemnified Liabilities, (b) any	

\$ 5,452.53  
\$ 149,021.70

**Big Rivers Electric Corporation**  
**Case No. 2013-00221**  
**Century Transaction Agreements Revenue and Expense Detail**  
**(Big Rivers Invoiced to Kenergy) <sup>1</sup>**  
**For the Quarter Ended September 30, 2013 <sup>2</sup>**

security necessary to be provided to any Person (including the RTO or ISO of which the Market Participant is a member or a Bilateral Counterparty) arising out of the Transaction, and © the costs to pursue any approval or consent under Section 7.2.2; *provided*, the Costs referenced on Exhibit A shall be allocated as provided therein. *Provided, further*, that Big Rivers shall not voluntarily enter into any contractual commitment for Costs referred to in the Section for any period in excess of (1) year without the consent of Century.

**Taxes.** No state or local sales, excise, gross receipts or other taxes are included in the charges and credits set forth in this Article 4. Kenergy shall pay or cause to be paid any such taxes that are now or hereafter become applicable to the sale of Electric Services to Kenergy under this Agreement.

**No Duplication.** Subject to the provisions of Section 5.4, the Monthly Charge shall not include any item that would result in a duplicative payment for a particular charge if Big Rivers would not be liable for the duplicative amount.

4.6

4.7

**DIRECT AGREEMENT**

Applicable Section of Agreement

4.1

Direct Payment Obligations

4.1(a)	SSR Cost if SSR Agreement not FERC approved, and hence not on MISO Settlement Statements	\$ 1,663,676.42
4.1(a)(i)	BREC.CENTURY_RT_MISC charge for SSR Cost from BR_CENTAO Settlement Statements	
4.1(a)(i)	BREC.BREC_RT_MISC charge for SSR Cost from BR_CENTAO Settlement Statements	
4.1(a)(i)	SSR Costs unreimbursed by MISO (i.e. RT unit trip/derate)	
4.1(a)(i)	SSR Costs unreimbursed by MISO (i.e. actual > SSR contract/budget amounts)	\$ (866,596.39)
4.1(a)(ii)(1)	Credit for BREC Transmission Revenue attributable to AREF #NL1314	
4.1(a)(ii)(2)	need logic to limit credit per this contract section	
4.1(a)(iv)	Credit for SSR costs later recovered due to delayed FERC approval	
<b>Total Quarter Ended September 30, 2013</b>		<b><u>\$ 17,013,494.05</u></b>

**Note(s):** 1.- Applicable amounts include charges to Kenergy from Big Rivers which are ultimately passed on to Century Aluminum by Kenergy and exclude any direct charges to Century Aluminum from Kenergy.

2.- This initial quarterly report is for the period from August 20, 2013 through and including September 30, 2013.