

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC
ATTORNEYS AT LAW

May 14, 2014

RECEIVED

MAY 15 2014

PUBLIC SERVICE
COMMISSION

Ronald M. Sullivan
Jesse T. Mountjoy
Frank Stainback
James M. Miller
Michael A. Fiorella
R. Michael Sullivan
Bryan R. Reynolds*
Tyson A. Kamuf
Mark W. Starnes
C. Ellsworth Mountjoy
John S. Wathen

Via Federal Express

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

*Also Licensed in Indiana

Re: Joint Application of Kenergy Corp. and Big Rivers Electric Corporation for Approval of Contracts and for a Declaratory Order – Case No. 2013-00413

Dear Mr. DeRouen:

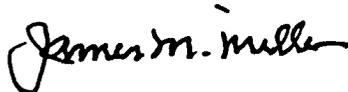
Enclosed on behalf of Big Rivers Electric Corporation (“*Big Rivers*”) are an original and five (5) copies of Big Rivers’ quarterly update in compliance with ordering paragraph number 5 of the order of the Public Service Commission (“*Commission*”), dated January 30, 2014, in the above-referenced docket.

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

I certify that on this date, copies of this letter and enclosures were sent to each of the persons on the attached service list by first-class U.S. mail, postage pre-paid.

Please feel free to contact me with any questions about this filing.

Sincerely yours,



James M. Miller

Telephone (270) 926-4000
Telecopier (270) 683-6694

JMM/lm
Enclosures

100 St. Ann Building
PO Box 727
Owensboro, Kentucky
42302-0727

cc: DeAnna Speed

Service List
PSC Case No. 2013-00413

Jennifer B. Hans
Dennis G. Howard, II
Lawrence W. Cook
Assistant Attorneys General
1024 Capital Center Dr.
Suite 200
Frankfort, KY 40601-8204

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

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

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

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

Michael Early
Century Aluminum
One South Wacker Drive
Suite 1000
Chicago, IL 60606

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

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

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. 2013-00413**

**Response to Commission Order dated January 30, 2014
Ordering Paragraph 5**

May 15, 2014

1 **Ordering Paragraph 5) *Big Rivers and Kenergy shall individually file***
2 ***within 45 days of the end of each calendar quarter, with copies served to***
3 ***the parties to this case, a report detailing the revenues and expenses***
4 ***incurred by each in connection with each component of the Century Sebree***
5 ***Transaction Agreements, including the energy usage consumed by Century***
6 ***Sebree expressed in either MWh or kWh.***

7

8 **Response) Attached hereto is Big Rivers report for the calendar quarter ending**
9 **March 31, 2014. Please note that this initial quarterly report is for the period**
10 **from February 1, 2014 through and including March 31, 2014.**

11

12

13 **Respondent) Billie J. Richert**

14

Big Rivers Electric Corporation
Case No. 2013-00413
Century Sebree Transaction Agreements Revenue and Expense Detail
(Big Rivers Invoiced to Kenergy) ¹
For the Quarter Ended March 31, 2014 ²

ELECTRIC SERVICE AGREEMENT/ARRANGEMENT AND PROCUREMENT AGREEMENT

Applicable Section of Agreement	Amount
4.2 Applicable RTO Charges	
4.2.1/4.2.3/4.2.5 MISO settlement Statement Activity	
BR_CENTAO Settlement Statements	\$ 26,702,869.78
BREC A0 Settlements Statements Activity attributable to BREC.SEBREE	
ZRC attributable to BREC.SEBREE	\$ 22,884.96
FTR/ARR attributes to BREC.SEBREE	\$ (183,552.26)
4.2.2 Transmission Services (AREF#NLI442)	\$ 1,285,657.13
4.2.4 Transmission Upgrades (Sch 26A)	\$ 187,848.10
4.3 Bilateral Activity	
4.4 Excess Reactive Demand	\$ 4,520.64

ARRANGEMENT AND PROCUREMENT AGREEMENT

Applicable Section of Agreement	
4.5 Other Amounts: For Any Billing Month	
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 Sebree 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 395 MW in any Hour.	
4.5.9 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 security necessary to be provided to any Person (including the RTO or ISO of which Big Rivers is a member or a Bilateral Counterparty) arising out of the Transaction, and (c) the Costs to pursue any approval or consent under Section 7.2.2; <i>provided</i> , that Costs referenced on <u>Exhibit A</u> shall be allocated as provided therein; <i>provided, further</i> , that Big Rivers shall not voluntarily enter into any contractual commitment for Costs referred to in this Section for any period in excess of (1) year without the consent of Century.	\$ 116,235.52

Big Rivers Electric Corporation
Case No. 2013-00413
Century Sebree Transaction Agreements Revenue and Expense Detail
(Big Rivers Invoiced to Kenergy) ¹
For the Quarter Ended March 31, 2014 ²

- 4.6 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 resale of Electric Services to Kenergy under this Agreement for delivery to Century under the Electric Service Agreement.
- 4.7 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.

DIRECT AGREEMENT

Applicable Section of Agreement

4.1

Direct Payment Obligations

Century shall reimburse Big Rivers for:

- | | | | |
|-------------|--|----|-----------|
| 4.1(d)(i) | all other third-party, out of pocket Costs of Big Rivers | | |
| 4.1(d)(ii) | the Cost of purchasing ZRCs from any Person for MISO Planning Year 2013/2014 that are required by MISO for the Load, after accounting for ZRCs necessary to satisfy Big Rivers' capacity obligations that will result from idling Wilson Generation Station on February 1, 2014 an covering the period therefrom to and including May 31, 2014 | \$ | 14,880.00 |
| 4.1(d)(iii) | the Cost, including allocated internal overhead costs, of | | |
| | (A) 1.25 full-time-equivalent employees of Big Rivers with respect to the period in which Big Rivers is the Market Participant, or | \$ | 39,099.68 |
| | (B) 0.5 full-time-equivalent employee of Big Rivers with respect to the period in which Big Rivers is not the Market Participant | | |

Total Quarter Ended March 31, 2014

\$ 28,190,443.55

Total kWh Consumption Quarter Ended March 31, 2014

537,899,919

- 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 February 1, 2014 through and including March 31, 2014.